

The Influence of Fundamental and Macroeconomic Factors on Firm Value with Capital Structure as a Moderating Variable

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Abstract

This study aims to examine fundamental factors, namely Debt of Equity Ratio (DER), Net Profit Margin (NPM) and Return on Equity (ROE), macroeconomic factors, namely inflation and exchange rates on firm value on the Indonesia Stock Exchange and using capital structure as a moderating variable. This study uses a quantitative approach with an explanatory research method, data analysis uses the conditional process initiated by Hayes, the research data is used for 10 years, namely during the years 2008-2017. The results show that the capital structure can moderate the effect of DER on firm value. Comparison with other research results in Indonesia shows that there is an inconsistency in the influence of fundamental and macroeconomic factors on firm value. This research provides an academic contribution to conduct quantitative financial management studies from both fundamental and macroeconomic aspects.

Keywords

Fundamental factors;
macroeconomics; firm value;
capital structure



I. Introduction

The rapid industrial development has implications for the dynamics of competition in the industry. The company is always required to be able to always increase the value of the company by properly managing and determining the source of funds. Companies always need funds to support the smooth running of their operations and maintain their survival in increasingly fierce business competition (Wulandari, 2009).

Development is a systematic and continuous effort made to realize something that is aspired. Development is a change towards improvement. Changes towards improvement require the mobilization of all human resources and reason to realize what is aspired. In addition, development is also very dependent on the availability of natural resource wealth. The availability of natural resources is one of the keys to economic growth in an area. (Shah, M. et al. 2020)

Company value is a very important aspect for a company, because it is an indicator for investors to invest in shares. In economic practice, the greater the Debt of Equity Ratio (DER), the smaller the profit to be distributed to shareholders, thereby reducing the price of the shares concerned. The lower the DER level, the higher the firm's value and the company will gain the trust of investors (Sambora, 2014). This condition indicates that the firm's value is influenced by economic fundamental factors.

Firm value can be understood as the combined value of the market value of shares issued and the market value of debt of a company. Firm value is the market value of debt securities and company equity in circulation (Keown, 2004). Firm value can be seen from the company's ability to pay dividends. The number of dividends can affect the stock price. If the dividend paid is high, the dividend price paid to shareholders is small, the share price of the company that distributes it is also low. With large dividends will increase the value of the company. Firm value is the investor's perception of the company's success rate

which is often associated with stock prices. The high share price makes the company value also high.

Firm value can also be influenced by the size of the profitability generated by the company. Profitability is the level of net profit that a company can achieve when running its operations. The profit that will be distributed to shareholders is the profit after interest and taxes.

During 1998 to 2019 there was a fluctuation in the JCI acquisition. The minus accumulation value only occurred in 1998 and 2001. From 2002 to 2019, the JCI has increased gradually, until 2019 with an accumulation of 1,468.18%. There is an Arbitrage Pricing Theory (APT), which is an asset pricing model based on the idea that the return on an asset can be predicted using the relationship between the same assets and risk factors in general. This theory was developed by Stephen Ross in 1976. Arbitrage Pricing Theory predicts the relationship of the rate of return of a portfolio and the return of a single asset through a linear combination of many independent macroeconomic variables (Lorenz & Trück, 2008).

This APT theory explains the price at which mispriced assets (wrong in pricing) are expected to be. It is often seen as an alternative to the Capital Asset Pricing Model (CAPM), because APT has more flexible assumption requirements. While the CAPM formula requires the rate of return expected by the market, APT uses the expected return on risk assets and the main risk from a number of macro-economic factors. Arbitration uses the Arbitrage Pricing Theory model to benefit by taking advantage of mispriced securities (Covey, 2016). A mispriced security will have a price different from the price that the model predicts. By taking a short position on overpriced securities, while simultaneously taking a buy position on a portfolio using APT calculations, arbitrage is in a position to take profit which is theoretically risk-free. Empirically, the APT theory has been widely used by previous researchers in understanding macro and micro effects in the financial management environment.

Financial statements are basically a source of information for investors as one of the basic considerations in making capital market investment decisions and also as a means of management responsibility for the resources entrusted to them (Prayoga and Afrizal 2021). Financial performance is a measuring instrument to know the process of implementing the company's financial resources. It sees how much management of the company succeeds, and provides benefits to the community. Sharia banking is contained in the Law of the Republic of Indonesia No.21 of 2008 article 5, in which the Financial Services Authority is assigned to supervise and supervise banks. (Ichsan, R. et al. 2021)

Inflation is a process of increasing general prices of goods continuously (Perlambang, 2017). The high inflation rate will push the price of raw materials to rise and increase various company operating costs, causing the selling price of goods to increase and reducing people's purchasing power. This has an impact on the decline in company sales, so that the company's profits and financial performance have decreased.

Inflation has a positive effect on firm value, but the effect is not significant. An increasing inflation rate can increase the value of the company, and vice versa. This is due to the low average inflation rate during the observation period which was still relatively light, so that it could stimulate the growth of the business world to expand production. In accordance with the signalling theory, passionate growth in the business world gives a positive signal for investors to invest their funds in the capital market so that the demand for shares increases and share prices as a reflection of the value of the company also increase (Dwipartha, 2013).

The exchange rate is the price of a domestic currency in a foreign currency. The exchange rate is an amount of money from a certain currency which can be exchanged for units of the currency of another country. The rupiah exchange rate has a major influence on companies that rely on imported raw materials. The depreciation of the rupiah will cause an increase in production costs, thus reducing the company's profitability (Darminto, 2008).

Previous research on exchange rates or exchange rates conducted by Kurihara (2006) stated that exchange rates have a positive and significant effect on stock prices in Japan. This study supports research conducted by Bahmani-Oskooee and Sohrabian (1992) which states that exchange rates have an influence on stock prices. In contrast to the research of Gupta et al. (2000) provide evidence that there is no strong relationship between stock prices and exchange rates. This research is supported by research conducted by Garg & Dua (2014) which states that the exchange rate does not have a significant effect on stock returns because in obtaining returns, investors do not pay attention to the exchange rate in investing.

Debt ratio is used to find out how much the company's assets are financed by debt or how much the company's debt is to total assets. Gwenda and Juniarti (2013) state that debt ratio has a positive effect on firm value, and not all industrial sectors are able to influence firm value, in their research only the infrastructure industry sector affects firm value.

Debt to equity ratio is a ratio that measures the balance between the company's liabilities and its own capital and shows the amount of collateral available to creditors (Fahmi, 2012). The solvency ratio is usually associated with the Debt to Equity Ratio (DER). According to Helfert (1998), DER is an attempt to show the relative proportion of lenders to ownership rights, and is used as a measure of the role of debt.

Hamidah, Hartini and Mardiyati's (2015) research shows that DER (Debt to Equity Ratio) has a positive and significant effect on firm value. This means that if the DER goes up, the company value will also increase. Natarsyah (2000) states that the higher the DER, the greater the dependence of the company on outsiders so that the company's risk level is greater in meeting its debts, namely paying the principal of debt plus the interest. This has an impact on the decline in stock prices and stock returns, so that investors are not responsive to this information in making investment decisions on stocks.

Net Profit Margin describes the amount of net profit earned by the company on every sale made (Sagala, 2019). Net Profit Margin equals net income divided by net sales. This shows the stability of the unit to produce returns at a specific sales rate. By examining a company's profit margins and industry norms in previous years, we can assess the operating efficiency and pricing strategy as well as the company's competitive status with other companies in the industry.

Net Profit Margin is a comparison between profit after tax and sales. Net Profit Margin is used to measure the rupiah profit generated by each sale. This ratio provides an overview of the profit for the shareholders as a percentage of sales. The higher the Net Profit Margin, the greater the profit generated by the company so that it will attract investors to make transactions with the company concerned. The more interested investors in these shares will result in the company's value increasing (Rosada, 2017).

The results of Rosada's (2017) study show that net profit margin (NPM) has no significant effect on firm value. The results of this study mean that it supports the results of previous studies conducted by Cahyanto et al. (2014) concluded that there was no significant influence between profitability and firm value. The results of this study mean that they do not support the results of previous studies conducted by Hermuningsih &

Wardani (2009) concluded that there was a significant influence between profitability and firm value.

Return on Equity (ROE) is a measure of the profitability ratio in measuring the success of the business being undertaken. The ROE ratio shows the company's ability to generate returns on its own capital for common shareholders after calculating interest (cost of debt), taxes, and preferred stock costs. This ratio illustrates the benefits that can be enjoyed by shareholders for the company's ability to generate returns from the capital provided by these shareholders. A high ROE value contains information on the high rate of return on capital that shareholders will receive and has an impact on the number of dividends to be distributed (Dwipartha, 2013).

Repi, et al (2016) stated that simultaneously ROA, ROE, Company Risk, LDR, and NPL have a significant effect on firm value in companies in the Indonesian Stock Exchange Banking subsector. Partially ROE has no significant effect on firm value in companies in the Indonesian Stock Exchange Banking subsector. The capital structure of a company refers to the source of funding used to finance company investment. It refers to a choice between equity financing and debt financing.

According to Modigliani and Miller (1958), the value of a company, namely its share price, does not depend on the company's capital structure. This theory by Modigliani and Miller is based on a set of simplifying assumptions.

Research conducted by Velnampy and Niresh (2012) proves that capital structure has a significant positive effect on firm value. This study is not consistent with research conducted by Setiadharmas & Machali (2017) which states that capital structure has a significant negative effect on firm value. Based on the theory and results above, it seems that the direct effect of capital structure on firm value has not shown consistent results on the relationship between variables.

This study examines macro and micro fundamental factors on company value as moderated by the capital structure of companies listed on the Indonesia Stock Exchange. Macroeconomic factors are exchange rates and inflation, micro factors, namely debt to equity ratio, net profit margin and return on equity, moderating variables, namely capital structure and the dependent variable, namely firm value.

II. Research Method

The method used in this research is explanatory research. This method aims to explain the causal relationship of the variables studied by testing the hypothesis (Sekaran and Bougie, 2013). This research is descriptive and verification. According to Nazir (2003), the descriptive method is a method for determining facts with the right interpretation, which includes studies to accurately describe the characteristics of several group and individual phenomena. Meanwhile, verification research or causality research according to Maholtra (2010) is a study to test the truth of the causal relationship (cause and effect), namely the relationship between the independent variable and the dependent variable. In this study, a descriptive approach will be used to identify the factors contained in the financial sub-sector listed on the IDX. Associative method of a research statement that is asking about the relationship between two or more variables (Jones, et.al, 2018).

Luan, Yang, Fermüller, & Baras (2016) define an object of research as an attribute or characteristic or value of a person. Objects or activities that have certain variations determined by researchers to be studied and then conclusions drawn. From the definition above, the conclusion can be drawn that the object of research is a scientific goal with specific goals and uses to obtain certain data that has a different value, score or measure.

The objects of this research are macro and micro fundamental factors and companies listed on the Indonesia Stock Exchange.

The data used in this study are secondary data in the 2008 - 2017 period in the form of panel data. The available data then goes through a data recording process, and data grouping is based on the criteria of the independent variable and the dependent variable. The data obtained is derived from the Financial Statements of Manufacturing companies in Indonesia which are sourced from the Indonesia Stock Exchange or from the company concerned. In addition, data also comes from Bank Indonesia. The variables used in this study are Return on Equity (ROE), Debt Equity Ratio (DER), Net Profit Margin (NPM), exchange rate and inflation as independent variables, capital structure as moderating variable and firm value as dependent variable.

Sugiyono (2013) population is a generalization area consisting of objects or subjects that have certain qualities and characteristics that are determined by researchers to study and then draw conclusions. The population in this study are companies listed on the Indonesia Stock Exchange. The population in this study is data on inflation, exchange rate, debt ratio, net profit margin, and return on equity, capital structure and firm value obtained from the IDX, BPS and BI websites.

The sample used in this research is inflation data, exchange rate, debt ratio, net profit margin, return on equity, capital structure and firm value for 10 years, from 2008-2017. The companies sampled are PT Supreme Cable Manufacturing & Commerce Tbk.

Descriptive statistical analysis was carried out with the aim of knowing the description of the data used in the study, with an arrangement in such a way that it was easy to understand the characteristics of the data (Sekaran and Bougie, 2013). Data analysis in this study uses Hayes's analysis called conditional process analysis, this analysis is used to examine the extent to which the mechanism by which the effects operate depends on or varies across situations, contexts, stimuli, or individual differences. Although conditional process analysis is a relatively new term, introduced into the literature in 2013 by Hayes, the idea of combining moderation and mediation analytically is not new. In the last decade, several important articles and several books have introduced a systematic approach to integrating moderation and mediation analysis.

Although conditional process analysis is becoming more common, it remains unclear or unknown to many. In addition, the methods literature has grown to deal with the increasingly complex problem of conditional process model. It is difficult for the new researcher to catch up and feel confident in what he or she is doing, and those with more experience may not yet realize how it has extended. So, this method is designed to help new researchers catch up and inform more experienced conditional process analysts about recent advances in the literature.

Applicative, the effect of X on Y through the mediator M is represented statistically as a product of the causal effect of the constituent (X effect on M and M effect on Y). But an effect can be moderated, with linear moderation being the popularly assumed form. Because the mediation process is a combination of effects and effects that can be moderated, mediation can be moderated. Mediation moderation manifests itself statistically in the form of an indirect effect that depends on the moderator, that is, it is a function of the moderator. The function can be linear or nonlinear, depending on the shape of the model. This can also be a function of more than one moderator. In this section, we provide examples of three conditional process models that allow indirect effects to be moderated, discuss the basics of conditional process analysis using regression analysis, show how indirect effects in conditional process models can be represented as moderator functions, and discuss how to test whether the effects are indirectly moderated (Hayes & Rockwood, 2020).

III. Results and Discussion

Past historical financial data that is used as a basis for projecting the company's financial condition in the future, in company analysis investors will study the company's financial statements with the aim of analysing company performance by knowing the company's strengths and weaknesses, identifying trends and evaluating operational efficiency and understanding the nature and operational character of the company. Based on previous studies, in general financial ratios can be used to explain the strengths and weaknesses of the company's financials and have the power to predict the company's financial performance. These financial ratios are grouped into 5 types, namely liquidity ratios, activity ratios, profitability ratios, solvency ratios and market ratios (Subalno, 2009).

Sambora's research (2014) shows that the DER, EPS, ROE, and DR variables simultaneously have a significant effect on the stock prices of food and beverages companies in the 2009-2012 period. This is reflected in the significance value in the ANOVA table, which is 0.000 less than alpha 0.05. The magnitude of the influence of DER, EPS, ROE and DR variables simultaneously on stock prices is 68.7%, while the remaining 31.3% is influenced by other variables not discussed in this study.

The DER variable partially has no significant effect on stock prices with a sig. amounting to 0.270, while the magnitude of the influence of DER on stock prices is 10.3%. The EPS variable has a partially significant effect on stock prices with a sig. of 0,000 and the magnitude of the influence of EPS on the stock price is 85.9%. The ROE variable partially has no significant effect on stock prices with a sig value equal to 0.357 and the magnitude of the influence of ROE on stock prices is 19.4%. The DR variable partially has no significant effect on stock prices because it has a sig value amounting to 0.323, while the magnitude of the influence of DR on stock prices is 9.5%. This study uses ratios according to research needs, including debt ratio, net profit margin, and return on equity.

The results of this study use the conditional process model initiated by Hayes because this model has the advantage of explaining the effect of moderation in quantitative research more effectively and efficiently.

Table 1. Results of the DER Test on Firm Value with Capital Structure as moderating variable

Model Summary							
	R	R-sq	MSE	F	df1	df2	p
	,5960	,3553	24,7261	1,1020	3,0000	6,0000	,4184
Model							
	coeff	se	t	p	LLCI	ULCI	
constant	13,3822	3,9583	3,3808	,0148	3,6879	23,0764	
NP	1,8214	1,1770	1,5475	,1727	-1,0611	4,7039	
SM	-,0772	,1178	-,6550	,5367	-,3657	,2114	
Int_1	-,0479	,0326	-1,4680	,1925	-,1278	,0320	
Product terms key:							
Int_1	:	NP	x	SM			
Test(s) of highest order unconditional interaction(s):							
	R2-chng	F	df1	df2	p		
X*W	,2316	2,1551	1,0000	6,0000	,1925		

Based on these data, it shows that the value of $t = -1.4680$ and $p = 0.1925$ which means higher than 0.05, so it can be said that the capital structure cannot moderate the effect of DER on Firm Value. The influence of independent variables on the dependent

variable has been conducted by many studies, such as research by Irayanti and Tumbel (2014) which shows that both simultaneous and partial debt to equity ratio have a significant effect on firm value. Debt to equity ratio has a significant influence and contributes to company value in the food and beverage sub-sector on the IDX.

Ogolmagai (2013) examines the effect of leverage on firm value. The research method used is multiple linear regression analysis. The purpose of this study is to determine the structure of odal which is measured by using the Debt to Equity Ratio (DER) to the value of manufacturing companies that go public in Indonesia. The results showed that the Debt to Equity Ratio had a significant effect on firm value.

Other research conducted in Indonesia shows differences, such as research by Rakhimsyah and Gunawan (2011), Sukirni (2012), Novalia, Kardinal, Wijaya (2015), Astutik (2017), Septiani (2013), Suastini, Purbawangsa and Rahyuda (2016), Suwardika and Mustanda (2017), Sambora (2014), Agustina and Ardiansari (2015), Rosy TW (2013) show the results that DER has an effect on firm value. Meanwhile, research conducted by Putra (2014) and Putra, Kepramareni, Novitasari (2016) shows that DER has no effect on firm value.

The differences in the results of these studies indicate that ROE has an inconsistent effect on firm value that occurs in Indonesia, apart from differences in company characteristics, also because Indonesia is an emerging market country that has a high voting influence.

Table 2. Results of the NPM Test on Firm Value with Capital Structure as the moderating variable

Model Summary							
	R	R-sq	MSE	F	df1	df2	p
	,7144	,5104	464,6799	2,0852	3,0000	6,0000	,2036
Model							
	coeff	se	t	p	LLCI	ULCI	
constant	69,3891	17,1595	4,0438	,0068	27,3635	111,4146	
NP	-10,2573	5,1022	-2,0104	,0911	-22,7532	2,2386	
SM	-,6208	,5107	-1,2155	,2698	-1,8716	,6300	
Int_1	,2647	,1414	1,8717	,1104	-,0817	,6111	
Product terms key:							
Int_1	:	NP	x	SM			
Test(s) of highest order unconditional interaction(s):							
	R2-chng	F	df1	df2	p		
X*W	,2859	3,5033	1,0000	6,0000	,1104		

Based on these data, it shows that the value of $t = 1.8717$ and $p = 0.1104$, which means higher than 0.05, so it can be said that the capital structure cannot moderate the effect of NPM on Firm Value. The influence of independent variables on the dependent variable has been conducted by many studies, such as research by Irayanti and Tumbel (2014) showing that both simultaneously and partially net profit margin has a significant effect on firm value. Net profit margin has an influence and contributes significantly to firm value in the food and beverage sub-sector on the IDX.

Ratih (2011) examines the effect of good corporate governance on firm value. The research method used is the analysis of structural equation models. The purpose of this study was to examine the effect of Good Corporate Governance on firm value using intervening variables, namely NPM and ROA. Good Corporate Governance has an effect on firm value with Net Profit Margin as an intervening variable. Good Corporate

Governance has an effect on company value with Net Profit Margin as an intervening effect on firm value.

Other research conducted in Indonesia shows that there are differences in research results, such as those conducted by Lubis, Sinaga and Sasongko (2017), Nofrita (2014), Meidiawati and Mildawati (2016), Mahendra DJ (2011), Hardiyanti (2012), Mindra and Erawati (2014), Puspita (2011), Pratiska (2013), Kusumajaya (2011), Yustitiningrum (2013) show that NPM has an influence on firm value. Meanwhile, research by Kurniasari (2017), Triyono, Raharjo, Arifati (2015) shows that NPM has no influence on firm value.

Based on the results of these studies indicate that the effect of NPM on firm value shows inconsistency. This condition indicates that each company listed on the Indonesian Stock Exchange has a different performance, so that NPM does not necessarily have an influence on company value.

Table 3. Results of the ROE Test on Firm Value with Capital Structure as the moderating variable

Model Summary						
R	R-sq	MSE	F	df1	df2	p
,9015	,8127	1813,8810	8,6798	3,0000	6,0000	,0133
Model						
coeff	se	t	p	LLCI	ULCI	
constant	156,6378	33,9025	4,6202	,0036	73,6067	239,6688
NP	-50,5467	10,0806	-5,0142	,0024	-75,2352	-25,8581
SM	,0503	1,0091	,0499	,9619	-2,4210	2,5216
Int_1	1,3634	,2794	4,8795	,0028	,6791	2,0477
Product terms key:						
Int_1	:	NP	x	SM		
Test(s) of highest order unconditional interaction(s):						
R2-chng	F	df1	df2	p		
X*W	,7431	23,8099	1,0000	6,0000	,0028	

Based on these data shows that the value of $t = 4.8795$ and $p = 0.0028$ which means lower than 0.05, so it can be said that the capital structure can moderate the effect of ROE on Firm Value. The influence of the independent variable on the dependent variable has been conducted a lot of research, such as the Telepta research (2011) which examines the effect of financial performance on firm value. The research method used is multiple linear regression analysis. The purpose of this study is to obtain empirical evidence about financial performance on firm value. The results showed that Return on Assets (ROA) had an effect on firm value (Tobin's q), Earning per Share (EPS) had a significant effect on firm value, while Return on Equity had no effect on firm value.

Other studies in Indonesia in majority show that ROE has an influence on firm value, such as research by Dwipartha (2013), Putra (2014), Lubis, Sinaga and Sasongko (2017), Sambora, Handayani and Rahayu (2014), Kodir (2013), Agustina and Ardiansari (2015), Tjandrakirana and Monika (2014), Putra, Kepramareni, Novitasari (2016) showed that ROE affects firm value. Only Rahayu's research (2010) shows that ROE has no effect on firm value.

The comparison of the results of these studies shows that there is an influence between ROE and the value of manufacturing firms, and capital structure can be a moderating variable between the effects of ROE on firm value.

Table 4. Results of the Exchange Rate Test on Firm Value with Capital Structure as a moderating variable

Model Summary							
	R	R-sq	MSE	F	df1	df2	p
	,6893	,4752	12359187,5	1,8106	3,0000	6,0000	,2454
Model							
	coeff	se	t	p	LLCI	ULCI	
constant	10629,1722	2798,4838	3,7982	,0090	3775,3753	17482,9691	
NP	-1746,4548	832,1044	-2,0988	,0806	-3784,3707	291,4612	
SM	50,1440	83,2929	,6020	,5692	-153,8497	254,1376	
Int_1	46,1952	23,0637	2,0029	,0921	-10,2902	102,6806	
Product terms key:							
Int_1	:	NP	x	SM			
Test(s) of highest order unconditional interaction(s):							
	R2-chng	F	df1	df2	p		
X*W	,3509	4,0118	1,0000	6,0000	,0921		

Based on these data, it shows that the value of $t = 2.0029$ and $p = 0.0921$, which means higher than 0.05, so it can be said that the capital structure cannot moderate the effect of exchange rates on firm value.

Fundamental information is obtained from fundamental analysis, namely analysis to calculate the intrinsic value of shares using internal company financial data (Jogiyanto, 2007). Technical information is obtained from outside the company, including factors: (1) economic, (2) social, cultural, demographic, and environmental, (3) political power, government and law, (4) technology and (5) competition (Sudiyanto, 2010). Macroeconomics is one of the technical information that is closely related to the capital market.

The exchange rate in this study is related to the rupiah exchange rate against the US dollar. Exchange rate occurs because of differences in inflation at home and abroad. If domestic inflation is lower than inflation abroad, the exchange rate will decrease, and vice versa (Kewal, 2012). The results of research by Arvianto, Suhadak dan Topowijono (2014), have differences and similarities with research conducted by Sudiyanto (2010), although the results state that the exchange rate has no significant effect on firm value, but the exchange rate has a positive relationship with firm value.

Other research conducted in Indonesia shows an inconsistency in the effect of exchange rates on firm value, such as research by Dwipartha (2013), Sudiyatno (2010), Kodir (2013), Agustina and Ardiansari (2015), Suryantini and Arsawan (2014) showing the results that exchange rates have an effect to company value. Meanwhile, research by Kusuma (2016), Azizah and Priyadi (2016) shows that the exchange rate has no effect on firm value.

This condition indicates that the exchange rate as a macroeconomic factor shows an inconsistent effect on firm value. This is because every company has a different performance, especially companies that use dollars as a medium of exchange.

Table 5. Results of the Inflation Test on Firm Value with Capital Structure as the moderating variable

Model Summary							
	R	R-sq	MSE	F	df1	df2	p
	,5680	,3227	46313,1294	,9528	3,0000	6,0000	,4728
Model							
	coeff	se	t	p	LLCI	ULCI	

constant	392,2886	171,3089	2,2899	,0619	-27,2659	811,8430
NP	27,3218	50,9372	,5364	,6110	-97,4290	152,0726
SM	6,9681	5,0988	1,3666	,2207	-5,5193	19,4556
Int_1	-,9335	1,4118	-,6612	,5330	-4,3913	2,5242

Product terms key:

Int_1 : NP x SM

Test(s) of highest order unconditional interaction(s):

	R2-chng	F	df1	df2	p
X*W	,0494	,4372	1,0000	6,0000	,5330

Based on these data, it shows that the value of $t = -0.6612$ and $p = 0.5330$, which means higher than 0.05, so it can be said that the capital structure cannot moderate the effect of inflation on firm value. The influence of independent variables on the dependent variable has been conducted in Indonesia, such as research by Dwipartha (2013) Sudiyatno (2010), Agustina and Ardiansari (2015), Noerirawan (2012), Ogolmagai (2013), Rosy (2013), Sartika, Siddik, Choiriyah (2019), Suryantini and Arsawan (2014) show that inflation has an effect on firm value. However, other studies show different results, such as research by Putra, Kepramareni, Novitasari (2016), Kusuma (2016), Sari (2013) showing that inflation has no effect on firm value.

Based on the results of this comparison, it shows that inflation shows an inconsistent effect on firm value. This condition indicates that the company's performance in managing finances is a very important aspect in maintaining firm value, because if inflation is high, the company is able to maintain firm value properly.

IV. Conclusion

Capital structure can only affect DER on firm value, while for other variables (ROE, NPM, inflation and exchange rates) capital structure cannot moderate. Inconsistencies were found related to the influence of fundamental and macroeconomic factors on firm value. This condition indicates that Indonesia as an emerging market country that has high voting has an impact on inconsistency in the influence of fundamental and macroeconomic factors on company value. For further research, it is necessary to focus more on other macroeconomic influences in understanding their effects on firm value

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