Jurnal Ilmu Ekonomi dan Sosial

Economic and social Scientific Journal
ISSN (Online): 2621-0371, ISSN (Print): 2301-9263
https://publikasi.mercubuana.ac.id/index.php/jies

The Influence of Free Cash Flow and Firm Size on Firm Value: Mediation of Debt Policy

Cindhi Hesti Yana [1]; R.A. Norromadani Yuniati [2]; Arfiana Dewi [3]

[1] cindhihesti07@student.ppns.ac.id, *Politeknik Perkapalan Negeri Surabaya, Indonesia*
[2] norromadani.y@ppns.ac.id, *Politeknik Perkapalan Negeri Surabaya, Indonesia*
[3] arfianadewi@ppns.ac.id, *Politeknik Perkapalan Negeri Surabaya, Indonesia*

ABSTRACT

Firm value is defined as the investor's view of the company's level of success in managing company resources. This research was conducted to analyze the influence of free cash flow and company size on company value with debt policy as an intervening variable. The population in this study was transportation and logistics sector companies registered on the IDX using purposive sampling. The sample used in this research was 17 companies. The way to test the influence between variables is to test panel data regression analysis and path analysis. The research results show that free cash flow and company size do not affect company value. Free cash flow and company size do not affect debt policy. The intervening variable, debt policy, cannot mediate the influence of free cash flow and company size on debt policy. Companies in the transportation and logistics sector need to increase their free cash flow and optimize their asset numbers to attract investors' attention, which can influence investment decisions and indicate an increase in company value.

***Keywords**: free cash flow; firm size; debt policy; firm value*

Received: October 10th, 2023 Revised: January 18th, 2024 Accepted: February 2rd, 2024

Article Doi: 10.22441/jies.v13i1.27842

INTRODUCTION

The transportation and logistics sector in Indonesia is experiencing very rapid growth, as seen from the large number of vehicles and goods delivery services currently. This sector is one of the aspects that plays a role in supporting the economy in Indonesia. Economic growth plays a crucial role in a country's economy, serving as a gauge of its accomplishments. Based on data from the Indonesian Stock Exchange, there will be 30 transportation and logistics companies registered in 2022. A country experiencing growth can demonstrate robust economic growth through its Gross Domestic Product (GDP). GDP is the value of products and services produced within a country in a particular year. Fast-growing GDP shows economic growth, which has an impact on increasing people's purchasing power, which can increase profits and increase share prices so that company value will be pushed up. Based on data from the Central Statistics Agency (BPS), the growth rate of GDP (Gross Domestic Product) in Indonesia in the transportation and logistics sector experienced negative growth from 2018 to 2020 and experienced quite significant growth in 2021.

p-ISSN: 2301-9263
e-ISSN: 2621-0371

Figure 1. Growth rate of the transportation and warehousing sector

Based on Figure 1 regarding the growth rate of the transportation and warehousing sector, it is explained that in 2018, the growth rate decreased by 1.44% from the previous year. Growth in 2019 decreased by 0.67% from 2018, then in 2020 experienced a very significant decrease, namely 21.43% from 2019. Growth in the transportation and warehousing sector grew at 3.24% in 2021 from the previous year; this achievement is higher than in 2020, which experienced a contraction of 15.05. This still shows how the growth of the transportation and logistics sector in 2021 has not been able to recover to levels like before the pandemic (Badan Pusat Statistik, 2020). This growth in the transportation and logistics sector has not yet recovered, indicating that the sector is experiencing slow growth. Positive GDP growth can increase share prices so that company value will be pushed up. With GDP growth in a positive direction, it is hoped that it will improve the wheels of the economy in Indonesia, but in reality, debt in the transportation and logistics sector for the 2018-2021 observation period has increased, according to the data shown below.

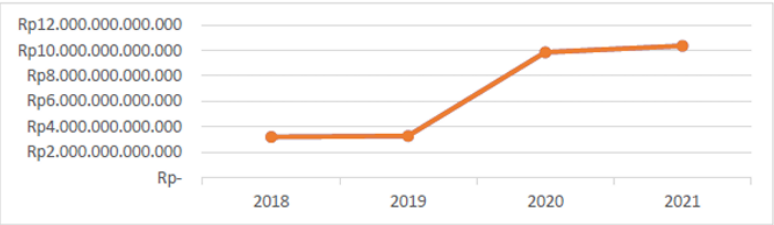

Figure 2. Debt of transportation and logistics sector companies

According to the graph shown, debt from companies in the transportation and logistics sector has increased; debt in 2018 was IDR 3,201,064,135,590, in 2019 it was IDR 3,281,212,553,390, in 2020 it was IDR 9,858,484,381,615, in 2021 it was IDR 10. 352,234,607,486 and increases every year. High company debt indicates that the company's operational performance is not safe, because debt increases every year. High corporate debt must be balanced with profitability to get large profits for the company, because one of the functions of debt is to increase productivity and profits for the company. High profits will make it easier for companies to increase their corporate value.

Company value is critical for the company itself because it is often associated with the level of success in the company's performance. Company value reflects the value of the assets owned because a high company value will be followed by high shareholder prosperity. Optimizing company value, which is the company's goal, can be achieved through implementing the financial management function, where one financial decision will influence other financial decisions and have an impact on company value (Fama and French, 1998; Gustiandika & Hadiprajitno, 2014). Several factors can influence company value, including profitability, free cash flow, and company size. One can achieve company goals by ensuring

p-ISSN: 2301-9263
e-ISSN: 2621-0371

that financial reports demonstrate positive values. The combination of financial management and appropriate funding decisions can optimize company value, which will influence investors' interest in buying shares in a company. One of the factors that can influence company value is profitability. Profitability is the final result of several policies and decisions made by the company. If managers are able to manage the company well, then the costs that will be incurred by the company will be smaller, and so the profits generated will be greater. The size of this profit will affect the value of the company (Kasmir, 2015) in Bintari & Kusnandar (2020). Companies can also use high profits as collateral to seek additional capital funds, which are expected to increase profits for the previous period.

Apart from profitability, another factor that influences company value is free cash flow. According to Brigham and Houston (2006) in Jenali & Amanah (2019), free cash flow is free cash flow owned by a company that is intended to be distributed to shareholders or distributed to creditors outside of the cash flow used by the company to carry out its operations and is also used as an indicator for measures of the company's ability to return profits to shareholders. The company must have free cash flow to use as reserve funds in case of an emergency. Free cash flow indicates that the company's free cash flow is high so that the company's finances can be ensured to run well, and external funding will be minimally used. This can increase investors' confidence in providing high returns, thereby increasing the value of the company.

Another factor that can influence company value is company size. The total assets owned by the company itself reveal its size. Companies are categorized into three types, namely small-scale companies, medium-scale companies, and large-scale companies. Companies with large total assets indicate ongoing development and good growth, which makes investors more optimistic about investing in them (Dahar et al., 2019). Large companies also find it easier to seek external funding because a large company means it has large total assets, too.

Funding decisions must be highly considered in order to compete with other companies. Funding must be decided carefully because each funding policy has different consequences. Optimal funding policies will increase company value through reducing taxes and reducing the cost of equity. Debt policy can be measured by the ratio between total debt to total equity which is called the debt to equity ratio (DER) proxy. If total debt is greater than total assets then investors will not be interested in buying shares in the company because this is related to the prosperity of company investors. . Companies must be very careful in determining their debt policy because increasing the use of debt will reduce the value of the company (Sujoko & Soebiantoro, 2007). The difference between this research and previous research by Dhevanti (2022) is that this research adds independent variables and intervening variables which makes the relationship between the independent variable and the dependent variable an indirect relationship. The independent variables added are free cash flow and company size. This difference is a novelty in this research. The variable used as intervening is debt policy, apart from that, it is also what differentiates this research in terms of object. The use of intervening variables is based on trade off theory, describing companies that prefer external funding rather than internal financing, especially for companies that have high taxable income. The value of a company with debt will increase, but with increasing debt at a certain point the value will decrease (Nainggolan & Listiadi, 2014). The aim of this research is to analyze profitability, free cash flow, company size, and company value with debt policy as an intervening variable.

Signaling Theory

Signaling theory was first introduced by Spence in his research entitled Job Market Signaling Spence (1973), stating that the signal or signal from the sender (owner of the information) tries

p-ISSN: 2301-9263
e-ISSN: 2621-0371

to provide relevant pieces of information that can be utilized by the recipient. Signaling theory emphasizes the importance of information released by the company on investment decisions by external parties. Information is an important element for investors and creditors because it contains information about a company. Investors need complete and relevant information as an analytical tool for making investment decisions. The information provided by the company to external parties is expected to reduce the occurrence of information gaps between internal and external parties, and at the same time is expected to increase the value of the company.

Pecking Order Theory

Pecking order theory assumes that companies aim to maximize shareholder welfare. This theory was first introduced by Donaldson in 1961, while the pecking order theory was named by MYERS (1984). The pecking order theory states that companies prioritize internal financing, namely funding from the results of the company's operations in the form of retained earnings. If external funding is needed, the company will use debt, then issue bonds, followed by securities with option characteristics, and if this is still not sufficient, it will issue shares. new. The order of use of funding sources according to the pecking order theory is internal funds, debt, and equity.

Trade-Off Theory

Trade-off theory is a capital structure model that assumes that the company's capital structure is a balance between the benefits of using debt and the costs of financial distress and agency costs. This theory compares the benefits and costs, or the balance between advantages and disadvantages of using debt (Khairudin & Tanto, 2015). Debt can incur interest charges that can save taxes. Interest expenses can be deducted from income so that the profit before tax becomes smaller; thus, taxes also become smaller. At a certain value, debt can pose a risk of company bankruptcy; therefore, this theory states that companies prefer external funding rather than internal financing, especially for companies that have high taxable income and large assets.

Firm value

According to investors, company value is the level of success of the company, which is closely related to its share price (Mahardhika & Roosmawarni, 2016). High profitability and large free cash flow indicate that the company value is also high, so it will attract the attention of investors. If the share price of a company is higher, investors will also get high profits (Suwardika & Mustanda, 2017). A high company value indicates that the level of prosperity among the company's shareholders is also high. A high company value will make the market believe in the company's performance and, more importantly, that the company has excellent prospects in the future. Measuring company value using the Tobin's Q ratio can be calculated using the formula

$$\text{Tobin's q} = \frac{\text{MVE+DEBT}}{\text{TA}}$$

Information:

Tobins'q	:	firm value
MVE	:	Market value of equity (number of outstanding shares x closing price)
DEBT	:	(Current debt + long-term debt) – current assets
TA	:	Book value of total assets

p-ISSN: 2301-9263
e-ISSN: 2621-0371

According to Brigham & Houston. (2010) free cash flow is the actual cash flow that is available to be distributed to shareholders and creditors after the company has invested in fixed assets and working capital needed to maintain ongoing operations. Free cash flow can describe the finances of 19 companies. Companies with high free cash flow can see an increase in the company's performance. Management will choose to invest these funds again in projects that can generate profits because it can increase the incentives they receive (Putri & Chabachib, 2013). The free cash flow variable can be calculated using the formula:

FCF ($free\ cash\ flow$) = $AKO–PM–NWC$

Information:

AKO : Operating Cash Flow

PM : Net Capital Expenditure

NWC : Net Working Capital (Current Assets – Current Liabilities)

Firm Size

Firm size is a value that shows the size of a company. The increasing size of the company will be closely related to the funding decisions that will be implemented by the company in order to optimize company value. Large companies tend to find it easier to gain the trust of creditors to obtain funding sources so that they can increase the value of the company (Pramana & Mustanda, 2016). In this research, company size can be formulated by: U$kuran\ Perusahaan$ = Ln ($Total\ aset$)

Debt Policy

In funding its operational activities, companies have two funding alternatives, namely internal funding and external funding, in which case the debt policy is included as a company funding policy that comes from external sources. Debt policy is an activity carried out by company management to obtain funding sources for the company to finance the company's operational activities. Mulianti (2010) states that the higher the proportion of debt, the higher the value of the company. This is related to the benefits of tax reduction because the interest paid from the use of debt reduces taxable income. Debt policy measurement uses the debt-to-equity ratio, which is formulated as follows: Debt-to-Equity Ratio (DER) = (Total Debt)/(Total Equity)

Hypothesis Development

1. The Effect of Company Size on Company Value

Company size can be seen from the total assets owned by the company, which are used for the company's operational activities. Companies that have large assets will more easily attract the attention of investors; this is because the company can reflect good development and growth, so that investors are more optimistic about investing their funds in the company, which can indicate an increase in the value of a company (Rambe, 2020). Companies that are large influence the company's profitability, so large companies will have large profits compared to small companies. Signaling theory states that an established company will give a positive signal to investors, followed by an increase in company value. Based on research conducted by Bintari & Kusnandar (2020), it shows that company size has a positive effect on company value. Meanwhile, previous research, which stated that company size has no effect on company value, was conducted by (Fauzi & Aji, 2018; Utami et al., 2017). H1: Company size has a positive effect on company value.

p-ISSN: 2301-9263
e-ISSN: 2621-0371

2. The influence of free cash flow on debt policy
Free cash flow is cash flow that is available to be paid to all investors (shareholders and debt holders) after the company has invested in fixed assets and working capital needed to maintain ongoing operations. Based on the pecking order theory, companies with high free cash flow will use internal funds for their operational activities, so the company will avoid using debt. A company's free cash flow, which is negative, indicates that the company does not have free cash flow because the company is making long-term investments, so the company increases the use of debt to meet the company's operational needs. Based on research conducted by Zurriah & Sembiring (2018), shows that free cash flow affects debt policy. Based on the basic development of theory and previous research, the researcher proposed the following hypothesis: H2: Free cash flow harms debt policy.

3. The Influence of Company Size on Debt Policy
Company size is a value that shows the size of a company. Company size is measured by the natural logarithm (Ln) of the average total assets of the company. A large company size has easier access and greater flexibility. The larger the company size, the greater the funds the company needs for operational funds and investment, and the greater the company's tendency to take on debt. The company's decision to take on debt is related to the pecking order theory, which states that if retained earnings are insufficient, then debt becomes the next option. A large company also has many assets that can be used as collateral for debt. Based on research conducted by Mardiyati et al. (2018), shows that company size has a positive effect on debt policy. Based on the basic development of theory and previous research, the researcher proposed the following hypothesis: H3: Company size has a positive effect on debt policy.

4. The influence of free cash flow on company value through debt policy
High free cash flow indicates that the company's performance is in excellent condition. Based on trade-off theory, companies that have sufficient internal funds will tend to use internal funds compared to external funds. This step is done to reduce the risk of company bankruptcy so that the company will allocate free cash flow to pay debts. Companies that do not have sufficient free cash flow will use external funds in the form of debt. Increased corporate debt at a certain point will bring the company closer to the risk of bankruptcy; this can reduce market perception of the company, or it can mean that the value of the company will decrease, so it is stated that debt policy can mediate the influence of free cash flow on company value, and this research is by Sadia & Sujana (2017). Based on the basic development of theory and previous research, the researcher proposed the following hypothesis: H4: Debt policy can mediate the effect of free cash flow on company value.

5. The Influence of Company Size on Company Value through Debt Policy
A large company typically possesses substantial total assets, which allows it to attract the attention of investors; as a result, it can easily increase its value. Large companies typically require significant operational capital, which means they often need to seek external funds in the form of debt. Large companies have many assets that can be used as collateral for debt, so large companies have easy access to credit. The use of debt that exceeds the limit can indicate a decrease in company value, but the appropriate use of debt can increase the value of the company, so it is stated that debt policy can mediate the effect of company size on company value, and this research is by (Dewi et al., 2018). Based on the basic development of theory and

p-ISSN: 2301-9263
e-ISSN: 2621-0371

previous research, the researcher proposed the following hypothesis: H5: Debt policy can mediate the effect of company size on company value.

METHOD

This research uses secondary data taken from the Indonesia Stock Exchange (BEI) data for the 2018–2022 period in the transportation and logistics sector. Sampling used purposive sampling, and a sample of 58 companies was obtained. The independent variables in this research are company size (X1), which is proxied by Ln total assets, and free cash flow (X2), which is proxied by the reduction of the company's operating cash flow on the company's capital expenditure and working capital. The mediating variable in this research is debt policy (Z), which is proxied by the DER ratio. The dependent variable (Y) in this research is company value, which is proxied by the Tobin's q ratio.

Data processing uses a panel data model because the data used is a combination of time series and cross-section data, starting with a classic assumption test and selecting panel data, including the Common Effect Model (CEM), Fixed Effect Model (FEM), or Random Effect Model (REM), as well as tests for normality, heteroscedasticity, autocorrelation, and multicollinearity of the data. The following is the design of this research:

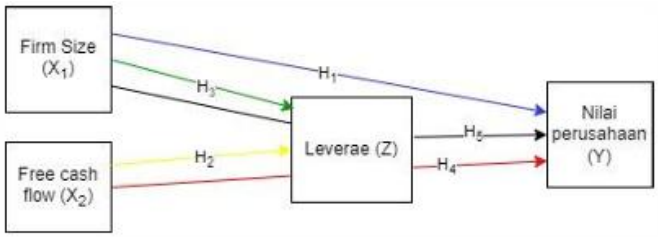

Figure 3. Research Design

RESULTS AND DISCUSSION

Table 1. Descriptive statistics

	N	Minimum	Maximum	Mean	Standar Deviasi
FCF (Rp)	58	-536.653.480.137	1.088.289.000.000	80.105.066.730	300.503.626.178
LN	58	24.57	30.10	27.02	1.60
DER	58	0.03	2.62	0.85	0.74
TOBIN's Q	58	0.07	17.89	1.54	2.52

Based on the data in Table 1, there are 58 data points processed in this research. The highest and lowest values for each variable are in the FCF (free cash flow) variable because the unit of this variable is the nominal rupiah. 2.52

Panel Data Model Selection Test

This research uses panel data, so it is necessary to know the model correctly for efficient estimates. This research has two equations, so there are two panel data models. The first model is the influence of the independent variable on the dependent variable and the influence of the mediating variable on the dependent variable. Based on the Chow test, Model 1 uses the common effect model because the Prob-section Chi-square value is 0.16. The second model is

p-ISSN: 2301-9263
e-ISSN: 2621-0371

the influence of the independent variable on the mediating variable. Based on the Hausman Test and Lagrange Multiplier Test, Model 2 uses a random effect model. Classic assumption test

Based on the results of the normality test with the Jarque-Bera Test (JB), it was found that both models had a normal distribution. The significance value of model 1 is 0.26, and model 2 is 0.56, so the data is normally distributed because it is greater than 0.05. Both equation models are free from multicollinearity because they have an intercorrelation value <0.8. The heteroscedasticity test in this study used the Glejser test; both models had no symptoms of heteroscedasticity because the significance value was > 0.05. The final classical assumption test in this research is the autocorrelation test. The autocorrelation test in this study used the Durbin-Watson test. Both equation models are free from autocorrelation because the Watson-Durbin value is between dU and 4-dU, namely 1.8952 and 1.8356. Hypothesis testing.

After selecting the panel data regression model and testing the classical assumptions, the hypothesis test is then carried out using the t-test to determine whether the hypothesis is statistically supported or not. This research also adds a mediating variable, namely debt policy, to test whether debt policy can mediate the influence of the independent variable on the dependent variable in this research using the Sobel test. The following are the results of the t-test and the Sobel test in this study:

Table 2

Hypothesis	Variable	t-Statistic	Prob	Conclusion
		Model 1		
H_1	LN → TOBIN'S Q	-1.07	0.29	Not significant
		Model 2		
H_2	FCF → DER	0.80	0.43	Not significant
H_3	LN → DER	1.88	0.06	Not significant

Table 3

Hyphotesis	Variable	Sobel test statistic	p-value	Conclusion
H_4	FCF → DER→ TOBIN'S Q	0.75	0.45	Unable to mediate
H_5	LN → DER → TOBIN'S Q	1.45	0.14	Unable to mediate

Coefficient of Determination

The coefficient of determination aims to measure the ability of the independent variable to influence the dependent variable. The coefficient of determination value is shown by Adjusted R-Squared. The following are the test results and discussion of the coefficient of determination (R^2):

Table 4

Model	R Squared	Adjusted R Squared
1	0.18	0.12
2	0.17	0.12

Discussion

1. The Effect of Company Size on Company Value

The first hypothesis, which states that company size has a positive effect on company value, is rejected. Large company size does not affect company value in the transportation and logistics sector. The average company size in this study is based on the Micro, Small, and

p-ISSN: 2301-9263
e-ISSN: 2621-0371

Medium Enterprises (MSME) Law Article 6 No. 20 of 2008 is included in a large company because it has total assets above IDR 10,000,000,000. Investors are drawn to large companies because their assets are also large, making it easier to obtain information about the company's condition, which can be seen from its value. Also, larger companies can access the capital market more easily. This research is in line with research conducted by Manoppo & Arie (2022), which states that company size does not have a significant effect on company value; according to them, it is not a consideration for investors when investing. In research by Suwardika & Mustanda (2017), it is also stated that company size has an insignificant influence on the company value of property and real estate companies listed on the IDX for the 2013-2015 period. Based on the research results, this means that large or small company sizes will not influence company value. If an investor wants to assess a company, he will not look at the size of the company, which is reflected in the total assets owned by the company; he will look more at various aspects, such as paying attention to the company's performance as seen in the company's financial reports, the company's good name, and its policies. dividends before deciding to invest funds in the company.

2. The Influence of Free Cash Flow on Debt Policy

The second research hypothesis, which states that free cash flow harms debt policy, is rejected. Based on a research sample at the company PT. Mineral Sumberdaya Mandiri Tbk., which has negative free cash flow, but in the company's annual report, the company's GMS decision states that the net profit in the previous year was included and recorded as retained earnings to increase capital so that the company does not need to use excessive external funds at PT. Nelly Dwi Putri Tbk Sailing. also shows the same thing, namely having free cash flow, which is negative, then using internal funds for further capital so that the DER value remains low, so there is no influence between free cash flow on debt policy because the company prioritizes the use of internal funds for the benefit of company capital and risk. In the transportation and logistics sector, the company maintains strong cash, thereby reducing the use of debt.

This is in line with research conducted by Suryani & Khafid (2015), which states that free cash flow does not affect debt policy in all 137 manufacturing companies listed on the Indonesia Stock Exchange in 2013, the greater the free cash flow available to the company. The company's health improves due to its available cash, which influences its debt policy utilization. This can also happen because high free cash flow means that the company is less active in maximizing free cash flow, or because the company is less aggressive in looking for projects, so that there is still a lot of cash available and the company only uses a little debt. Research conducted by Kamaliah & Syafitri (2013) also states that free cash flow has no effect on debt policy in companies listed on the IDX, as listed in the Indonesian Capital Market Directory (ICMD), with an observation period of 2006–2008. The research results show that free cash flow has not been able to influence the level of company debt to reduce agency costs.

3. The Influence of Company Size on Debt Policy

The third research hypothesis, which states that company size has a positive effect on debt policy, is rejected. The results of this research state that company size does not affect debt policy. This is because company assets are not the main factor taken into consideration by creditors in providing debt. Creditors consider the interest factor earned or pay more attention to the credibility of company managers in providing debt. Referring to the pecking order theory,

p-ISSN: 2301-9263
e-ISSN: 2621-0371

companies prefer to seek funding sources from internal sources, so in this study, company size has no effect on the company's debt policy, and it can be indicated that the company Large or small companies have debt, and the amount of debt is not influenced by the size of the company.

This is in line with research conducted by Suryani & Khafid (2015), which states that company size has no effect on debt policy for all 137 manufacturing companies listed on the Indonesia Stock Exchange in 2013. Every increase in company size is not followed by the company's debt policy. The large size of the company does not guarantee that the company will borrow funds to meet its funding needs, because the company may use internal funds for its funding. The use of internal funds may be based on future risks. Research conducted by Steven & Lina (2011) also states that company size does not affect debt policy in manufacturing companies listed on the IDX in the observation period 2006-2009. Company size is not a determinant of the funding source chosen by the company, because what the company is thinking about is how to obtain funds or capital that has the smallest possible borrowing costs. Large companies and small companies definitely have debt, and the amount is not always influenced by the size of the company, so company size does not affect the company's debt policy.

4. The effect of free cash flow on company value through a debt policy

The fourth hypothesis in this research is that debt policy is unable to mediate the effect of free cash flow on company value because the p-value is > 0.05. Based on the results of these calculations, we reject the research hypothesis that debt policy can mediate the effect of free cash flow on company value. Companies that have excessive amounts of free cash flow cause a tendency for management to use company resources for purposes that do not increase value for shareholders. This is possible because the availability of high free cash flow can cause conflict between managers as agents and shareholders as principals. This raises concerns among shareholders that managers may use the company's free cash flow for purposes that do not benefit them. The second possibility is when the free cash flow is used as retained earnings for investment so that investors do not use the free cash flow as consideration for investment decisions.

Free cash flow does not affect company value through debt policy because there are external factors that more dominantly influence company value in the transportation and logistics sector, such as market demand, technological developments, and government regulations. The results of this research are not in line with research conducted by Sari & Wirajaya (2017), which states that free cash flow has a positive effect on company value, free cash flow has a positive effect on debt policy, and debt policy has a positive effect on company value; thus, debt policy mediates the effect of free cash flow on firm value. Debt policy is one of the funding decisions that comes from external parties. The results of this research indicate that high free cash flow makes creditors confident in channeling credit to the company so that the use of debt motivates managers to work more efficiently to increase company efficiency to avoid bankruptcy so that company value increases.

5. The Influence of Company Size on Company Value through Debt Policy

This research rejects the fifth hypothesis, which suggests that debt policy can mediate the influence of company size on company value. The results of this research are by research conducted by Wijaya (2020), which states that capital structure is unable to mediate the influence between company size and company value in telecommunications sector companies on the Indonesia Stock Exchange. In research conducted by Setiadharma & Machali (2017), it

p-ISSN: 2301-9263
e-ISSN: 2621-0371

was also stated that capital structure as an intervening variable was unable to mediate the influence of company size on company value in property and real estate companies listed on the Indonesia Stock Exchange for the 2010-2014 period.

The size and value of the company do not determine the need for large capital. If institutional owners do not develop capital into something that generates profits, large capital will only become passive capital for the company. Capital structure is the policy chosen by each company, whether large or small. This choice will determine the company's ability to generate profits. The large size of a company does not guarantee that it will always require more funding than debt and vice versa. Investors have their own assessment points of view.

CONCLUSION

Conclusion

The statistical results of this study do not support the hypothesis. Debt policy is unable to mediate the influence between the independent variable and the dependent variable. Some limitations in this research are that the number of samples used for observation is 58 data points so that further research can be broader in sampling, such as the existence of certain criteria that may be considered by future researchers. The sector observed in this research is the transportation and logistics sector, where the number of companies is not too large compared to other sectors, so further research can add other sectors. The coefficient of determination in this research is 12%; further research can add other variables that can better explain the dependent variable.

Suggestion

The recommendation from this research is that further studies should consider moderating variables such as ownership structure, corporate governance, or inflation and interest rates to see whether these factors strengthen or weaken the influence of independent variables on firm value. And also adding control variables such as profitability, liquidity, and asset growth to improve the accuracy of the research model.

REFERENCES

Badan Pusat Statistik. (2020). Badan Pusat Statistik (pp. 335–358). https://doi.org/10.1055/s 2008-1040325

Bintari, V. I., & Kusnandar, D. L. (2020). Analisis Faktor-Faktor Yang Mempengaruhi Nilai Perusahaan. Jurnal Akuntansi, 9(2), 218–232. https://doi.org/10.37932/ja.v9i2.154
Brigham, E. F., & Houston., J. F. (2010). Dasar-Dasar Manajemen Keuangan (11th ed.). Salemba Empat.

Dahar, R., Yanti, N. S. P., & Rahmi, F. (2019). Pengaruh Struktur Modal, Ukuran Perusahaan Dan Return on Equity Terhadap Nilai Perusahaan Property and Real Estate Yang Terdaftar Di Bursa Efek Indonesia. Jurnal Ekonomi & Bisnis Dharma Andalas, 21(1), 121–132.

Dewi, D. K., Tanjung, A. R., & Indrawati, N. (2018). Analisis pengaruh free cash flow, investment opportunity set, ukuran perusahaan dan kepemilikan manajerial terhadap nilai

perusahaan dengan kebijakan hutang sebagai variabel moderating (studi pada perusahaan manufaktur yang listing di Bursa Efek Indonesia. Jurnal Ekonomi, 26(2), 101 121.

Dhevanti, R. I. D. B. S. (2022). Pengaruh Intellectual Capital, Profitabilitas Dan Kebijakan Hutang Terhadap Nilai Perusahaan. Jurnal Akuntansi Dan Pajak, 23(1), 1–10. https://www.jurnal.stie-aas.ac.id/index.php/jap/article/view/6104/pdf

Fauzi, M. S., & Aji, T. S. (2018). Pengaruh Struktur Modal, Ukuran Perusahaan, dan Profitabilitas Terhadap Nilai Perusahaan Sektor Agriculture Tahun 2012-2015. Jurnal Ilmu Manajemen (JIM), 6(1), 1–8.

Gustiandika, T., & Hadiprajitno, P. (2014). Pengaruh Keputusan Investasi dan Keputusan Pendanaan Terhadap Nilai Perusahaan dengan Corporate Governance Sebagai Variabel Moderating. Diponegoro Journal of Accounting, 1(1), 1–12.

Jenali, S. D. E., & Amanah, L. (2019). Kebijakan Hutang, Kebijakan Dividen, Profitabilitas dan Free Cash Flow Terhadap Nilai Perusahaan. Jurnal Ilmu Dan Riset Akuntansi, 8(1), 1–16.
Khairudin, & Tanto, R. (2015). PENGARUH KINERJA HUTANG TERHADAP NILAI PERUSAHAAN PADA PERUSAHAAN PERTAMBANGAN BATUBARA YANG TERDAFTAR DI BEI PERIODE 2010-2013. Jurnal Akuntansi & Keuangan, 6(1), 95–110. https://doi.org/10.1145/3132847.3132886

Mahardhika, B. W., & Roosmawarni, A. (2016). Analisis Karakteristik Perusahaan Yang Mempengaruhi Nilai Perusahaan Pada Perusahaan Manufaktur Yang Terdaftar di Bursa Efek Indonesia (BEI) Tahun 2010-2014. BALANCE: Economic, Business, Management and Accounting Journal, 13(2), 23–47.

Manoppo, H., & Arie, F. V. (2022). Pengaruh Struktur Modal, Ukuran Perusahaan dan Profitabilitas terhadap Kualitas Laba Perusahaan. Jurnal Manajerial Dan Kewirausahaan, 4(3), 701–711. https://doi.org/10.24912/jmk.v4i3.19764

Mardiyati, U., Ahmad, G. N., & Putri, R. (2018). Pengaruh Kebijakan Dividen, Kebijakan Hutang dan Profitabilitas Terhadap Nilai Perusahaan Manufaktur Sektor Pertambangan Yang Terdaftar Di Bursa Efek Indonesia Periode 2009-2014. JOM Fisip, 5(1), 1–18.

Mulianti, F. M. (2010). Analisis Faktor-Faktor Yang Mempengaruhi Kebijakan Hutang Dan Pengaruhnya Terhadap Nilai Perusahaan [Undip]. In Undip (Vol. 3, Issue 2). https://doi.org/10.12928/fokus.v3i2.1338

MYERS, S. C. (1984). The Capital Structure Puzzle. The Journal of Finance, 39(3), 574–592. https://doi.org/10.1111/j.1540-6261.1984.tb03646.x

Nainggolan, S. D. A., & Listiadi, A. (2014). Pengaruh Kebijakan Hutang Terhadap Nilai Perusahaan Dengan Kebijakan Dividen Sebagai Variabel Moderasi. Jurnal Ilmu Manajemen, 2(3), 868–879.

p-ISSN: 2301-9263
e-ISSN: 2621-0371

Pramana, I. G. N. A. D., & Mustanda, I. K. (2016). Pengaruh Profitabilitas Dan Size Terhadap Nilai Perusahaan Dengan Csr Sebagai Variabel Pemoderasi Fakultas Ekonomi Dan Bisnis Universitas Udayana (Unud). E-Jurnal Manajemen Unud, 5(1), 561–594.

Putri, G. A. P., & Chabachib, M. (2013). Analisis Pengaruh Kepemilikan Institusional, Free Cash Flow, Invesment Opportunity Set Terhadap Nilai Perusahaan Dengan Kebijakan Hutang Sebagai Variabel Intervening. Dipenogoro Journal Of Management, 2(2), 1–15.

Rambe, B. H. (2020). Terhadap, Hutang Keuangan, Kinerja Perusahaan, Pada Yang, Manufaktur Di, Terdaftar Efek, Bursa. Jurnal Ekonomi, Bisnis Dan Manajemen, 7(1), 54 64. ANALISIS UKURAN PERUSAHAAN, FREE CASH FLOW(FCF) DAN KEBIJAKAN HUTANG TERHADAP KINERJA KEUANGAN PADA PERUSAHAAN MANUFAKTUR YANG TERDAFTAR DI BURSA EFEK INDONESIA %7C Rambe %7C ECOBISMA (JURNAL EKONOMI, BISNIS DAN MANAJEMEN) (ulb.ac.id)

Sadia, N. M. D. S., & Sujana, I. K. (2017). Pengaruh Kepemilikan Institusional, Manajerial, Free Cash Flow Pada Nilai Perusahaan Dengan Variabel Intervening Kebijakan Hutang. E-Jurnal Akuntansi, 19(1), 479–507.

Sari, N. P. S. P., & Wirajaya, I. G. A. (2017). Pengaruh Free Cash Flow Dan Risiko Bisnis Pada Nilai Perusahaan Dengan Kebijakan Hutang Sebagai Variabel Intervening. E Jurnal Akuntansi Universitas Udayana, 18(3), 2260–2289.
Setiadharma, S., & Machali, M. (2017). The Effect of Asset Structure and Firm Size on Firm Value with Capital Structure as Intervening Variable. Journal of Business & Financial Affairs, 06(04), 4–8. https://doi.org/10.4172/2167-0234.1000298

Steven, & Lina. (2011). Faktor-Faktor Yang Mempengaruhi Kebijakan Hutang Pada Perusahaan Manufaktur. Jurnal Bisnis Dan Akuntansi, 13(3), 163–181. https://doi.org/10.24912/je.v26i11.769

Sujoko, S., & Soebiantoro, U. (2007). Pengaruh Struktur Kepemilikan, Strategi Diversifikasi, Leverage, Faktor Intern Dan Faktor Ekstern Terhadap Nilai Perusahaan (Studi Empirik Pada Perusahaan Manufaktur Dan Non Manufaktur Di Bursa Efek Jakarta). EKUITAS (Jurnal Ekonomi Dan Keuangan), 11(2), 236–254. https://doi.org/10.24034/j25485024.y2007.v11.i2.317

Suryani, A. D., & Khafid, M. (2015). Pengaruh Free Cash Flow, Pertumbuhan Perusahaan, Kebijakan Deviden Dan Ukuran Perusahaan Terhadap Kebijakan Hutang Pada Perusahaan Manufaktur Di Bursa Efek Indonesia Tahun 2013. Dinamika Akuntansi, Keuangan Dan Perbankan, 4(1), 20–28.

Suwardika, I. N. A., & Mustanda, I. K. (2017). PENGARUH LEVERAGE, UKURAN PERUSAHAAN, PERTUMBUHAN PERUSAHAAN, DAN PROFITABILITAS TERHADAP NILAI PERUSAHAAN PADA PERUSAHAAN PROPERTI. E-Jurnal Manajemen Unud, 6(3), 1248–1277.

p-ISSN: 2301-9263
e-ISSN: 2621-0371

Utami, D., Santoso, E. B., & Pranaditya, A. (2017). Pengaruh Struktur Modal, Pertumbuhan Perusahaan, Profitabilitas, Ukuran Perusahaan, Kinerja Keuangan Perusahaan, Terhadap Nilai Perusahaan (Studi Kasus Perusahaan Manufaktur Sektor Aneka Industri Yang Terdaftar Di Bursa Efek Indonesia Tahun 2011-2015. Jurnal Ilmiah Akuntansi, 3(3), 1–20.

Wijaya, I. G. N. S. (2020). Pengaruh Karakteristik Perusahaan Terhadap Nilai Perusahaan dengan Struktur Modal Sebagai Variabel Intervening. Jurnal STEI Ekonomi, 29(01), 79 89. https://doi.org/10.36406/jemi.v29i01.338

Zurriah, R., & Sembiring, M. (2018). Pengaruh Free Cash Flow dan Kepemilikan Manajerial terhadap Kebijakan Hutang (Studi Pada Perusahaan Yang Terdaftar di Jakarta Islamic Index). JURNAL AKUNTANSI DAN BISNIS : Jurnal Program Studi Akuntansi, 4(2), 31. https://doi.org/10.31289/jab.v4i2.1664