

ABSTRACT

This study examined the influence of profitability, institutional ownership, and firm's size on firm's value with capital structure as the intervening variable in property and real estate companies for the period 2012-2016. From the total population of 49 companies, 32 companies used as the sample. Sample selection based on the purposive sampling method.

This study used quantitative method and time series data. SPSS version 20 software applied, specifically multiple regression analysis to analyze the influence of independent variables on dependence and Sobel test to determine the role of intervening variables.

The results obtained are (1) profitability doesn't affect to capital structure; (2) institutional ownership has a significant negative effect on capital structure; (3) firm size has a significant positive effect on capital structure; (4) profitability, institutional ownership, company size, and capital structure have a significant positive effect on firm value; (5) the capital structure cannot mediate the effect of profitability and institutional ownership on firm value; and lastly (6) capital structure can mediate the influence of firm size on firm value.

Keywords: profitability, institutional ownership, size, capital structure, company value, intervening variables.