THE EFFECT OF PROFITABILITY, SOLVENCY AND LIQUIDITY ON COMPANY VALUE WITH DIVIDEND POLICY AS INTERVENING VARIABLES

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ARTICLE INFO	ABSTRACT
Keywords : Company Value, Profitability, Solvency, Liquidity, Policy Dividend	Study This aim For know " Influence Profitability, Solvency, and Liquidity to Company Value with Policy Dividend as intervening variable ". Sample study This taken from company manufacturers listed on the Indonesia Stock Exchange (IDX) in 2018-2022 with purposive sampling method. Obtained 29 Companies as sample, which is observed for 5 years with total observations as many as 145. Data collection techniques using documentation from report finance published on the IDX's official website, namely www.idx.co.id. Analysis used_is use analysis path. Research results This show that Profitability influential positive and significant to Policy Dividend, Solvability No influential to Policy Dividend, Liquidity influential in a manner positive and significant to Policy dividend. Profitability influential positive and significant on Firm Value, Solvability No influential on Company Value, Liquidity influential significant on Corporate Values, Policies Dividend influential positive and significant to Company Value.
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1. INTRODUCTION

Enterprise values is very important aspect Because matter the capable reflect performance company that can influence investors' perception of company. Halimah & Komariah (2017) argue that mark company become right indicator_For see how much big riches holder share in company the. High company value_describe that performance company in circumstances Good so that can reassure investors will good prospect company in Century future. According to Brigham and Erdhadt (2005), value company is mark now (*present value)* of future *free cash flow* at the rate discount according to the weighted average capital costs. *Free cash flow* is available cash flow for investors (creditors and owners) after take into account whole expenditure For operational companies and expenses For investment as well as asset fluent clean.

Based on idx.co.id data for 2022, it shows change mark company manufacturing varies on each_company sample research. At Indofood CBP Sukses Makmur Tbk. (IBCP) showed decline mark a significant company at 2.6 in 2017 shows_that mark company However down to 0.9 in 2021 ie mark company the *undervelued.* While Astra International Tbk. (ASII) tends the more decrease every the year from number 1 in 2017, to 0.9 in 2018 and in 2021 decreased until number 0.7. Unilever's corporate value (UNVR) in 2017 to 2021 remains the same is at number 1, which indicates that company the *Average* or stagnant. From several sample mark company manufacture the can stated that in a manner general mark company tend fluctuate or up and down, even Lots among them experience decline.

Expenditure investment give signal positive about growth company in the future come, so can increase mark company (*signaling theory)*, (Brealey, 2007). Enhancement debt interpreted by the parties outside about ability company For pay obligations in the future come or exists risk low business, p_the will responded in a manner positively by the market (Brigham, and Houston, 2018).

Profitability often believed as one_reference in evaluate performance company. Through investor profitability will be set choice For invest in one company. Profitability is measured using ROA (*Return On Assets)* which shows the company's profit by dividing net income by the total assets owned by the company (Indris, 202 2).

Solvency is a ratio that shows how much assets the company has through debt (Juneyca, 2019). One of the proxies used is DER *(Debt to Equity Ratio).* This ratio is used to assess debt to equity through a comparison between current liabilities and all equity (Kasmir, 2017).

Liquidity refers to the speed and ease with which an asset can be converted into cash or cash. Assets are usually listed in financial position in descending order of liquidity, meaning that the most liquid assets

are listed first. Current assets are relatively liquid and include cash and assets that we expect to convert into cash over the next 12 months (Maronrong, 2017).

This study uses dividend policy as a mediating variable, because dividend policy decisions are decisions about whether profits that have been generated will be distributed to shareholders as dividends or determined for retained earnings as reinvestment for the company (Hasfadillah et al, 2020). *The Dividend Pay Out Ratio* (DPR) determines the amount of dividends per share.

2. LITERATURE REVIEW

Signaling Theory

Theory Signal or *Signaling Theory* is something actions taken by management_company that delivers instruction for investors about How management looked prospect companies (Brigham and Houston, 2019). push company For give information is Because there is asymmetry information between companies and parties outside Because company know more Lots about companies and prospects to be come than party outside.

Based on theory that, can seen that exists connection between variable, ie Profitability to Company Value. When profitability the more high, then mark company will the more ok. Projected profitability_through ROA is fundamental performance, reflects activity operational company. ROA compare profit clean with total assets as effectiveness company, deliver signal positive to market will showing mark good company_in accordance with *Signaling Theory.*

Trade Off Theory

Theory exchange or normal called with the trade off theory is theory stated capital structure that exchange benefit cost savings tax with add a number funding from debt. Assumption savings the said tax is when debt more Lots so burden a must flower also paid more big so that reduce amount payment tax, which causes the more Lots Genre profit net entry to the account company. However matter is also accompanied with consequence emergence potency bankruptcy Because too Lots debt so that resulted fail pay (Brigham and Houston, 2013).

According to *the trade-off theory* expressed by Myers (1984); Ambarsari and Hermanto (2017), "Companies will owe up to a certain level of debt, where the tax savings (*tax shields)* from additional debt equal the cost of financial distress (*financial distress)*. " The cost of financial difficulties (*financial distress)* is the cost of bankruptcy (*bankruptcy costs)* or reorganization, and agency costs (*agency costs)* which increase as a result of the decline in the credibility of a company.

The value of the company

According to Ferina (2015), value company can defined as reflection mark owned assets_company when will sold. Enterprise values That is investors' perception of level success frequent company_associated with price stock. High stock price_make mark company is also high. The company's value tall will make the market believe No only to performance company moment This but also on prospects company. Ratio evaluation give information how much big public value company, so public interested For buy share with price which is more tall compared mark the book. Following This a number of method used_to measure_mark company, that is as following : *Price Earning Ratio* (PER) According to Reeve et al., (2010), Definition *price earning ratio* is ratio which is indicator for prospect income company in the future come counted with method share market price per share share usual date_certain with earnings per share annual. *Price to Book Value* (PBV) According to Brigham and Houston (2019), ratio This measure value provided by financial markets to management and organization company as A continuing company_grow. Tobin's Q One alternatives used_as proxy mark company is Tobin's Q developed by James Tobin (1967). Tobin's Q is market value of common stocks and financial liabilities, is comparison company market value with investment its clean. If the price share increase so the company's market value will also be experience improvement. According to Smithers and Wigrt (2011) states that Tobin's Q is calculated with ratio stock market value company plus with debt Then compare with total assets company. Lindenberg and Ross (1981), stated that mark company is a management proforma in manage assets indicated company_with Tobin's Q value.

Connection Variable Dividend Policy on Company Value

Dividends are profits earned by shareholders. Dividend policy can be measured by the *dividend payout ratio* (DPR), which is a comparison between dividends per share to earnings per share (Roy, 20 20 ; Natalia & Kusumastuti, 2017). The dividend policy determines how much profit must be distributed to

shareholders and profits which must be reused as the company's operating capital (Simatupang and Kholis, 201 7). From a shareholder perspective, companies that are able to pay dividends will attract investors in the capital market to invest and create high corporate value (Dewi & Wirasadena, 2018).

According to theory *signaling* by Spence (1973), dividends worn as a signal by the company that is reflected in stock returns. If company feel that future prospects_well, income, expected cash flow increase or earned at the rate at which the dividends are increasing the paid, then company will increase dividend. Market will respond positive announcement increase dividend the. According to theory that is, dividends have content information, that is prospect future company. _

Connection Variable Profitability Against Company Value Through Policy Dividend

If company capable increase payment dividend Because enhancement profit, then price share which price will go up share is representation from mark company (Rochmah and Fitria, 2017). According to Mery, Zulbahridar, and Kurnia (2017) reveal that policy dividend capable mediate influence profitability to mark meaningful company_that policy dividend capable increase mark company at the time profitability height and policy dividend capable lower mark company at the time profitability low. Manager in company own attention of existing cash holdings in company and invest in projects that pay off aim only increase prestige personal without notice the interests of the holders share (Jensen, 1986). Giving dividend will impact to lack of funds for invested, so demand company For take external funds (Griati, 2016). With so, there is role policy dividend make investment reduce so that mark company will decreased. So from that is, policy dividend capable exacerbate connection investment and value company (Khairani & Agustina, 2018).

Connection Variable Solvability Against Company Value Through Policy Dividend

Ability pay dividend so tightly relationship with ability company obtain profit. If company obtain big profits, then_ability company pay dividends are also big. Basically, profit_the Can shared as dividend or detained For invested back. In research conducted by Rochmah and Fitria (2017), revealed that policy dividend capable in a manner significant mediate influence solvency to mark company. In composition certain, the debt will be increase productivity company so that increase ability company in produce profit for holder stock. Policy dividend is unified part_with decision related funding_company internal spending so that can is known influence to mark company (Puspitaningtyas, 2017). Policy dividend role in increase the composition of the company's capital and p This implicated to mark company so that policy dividend capable strengthen connection solvency and value companies (Khairani et al., 2018; Burhanuddin & Nuraini, 2018).

Connection Variable Liquidity Against Company Value Through Policy Dividend

Liquidity is very important for something company Because enhancement mark something company said Good If seen from liquidity company the. Liquidity company is also very important because related with change assets be cash. In line with *signaling theory* Because when investors see level good liquidity_will give signal positive to company. *Current Ratio* used For know how much Far assets fluent company used For pay off debt to be paid or maturity Marlina and Danica (2009) in Rahmawati (2011). The more large current ratio showing the more tall ability company in fulfil obligation period in short and improve mark from something company the.

In this study, the ratio used to measure dividend policy is *the Dividend Payout Ratio* (DPR). This ratio is a ratio that compares dividends with profits available to ordinary shareholders. The higher the ratio, the more profitable it will be for investors, but the company will weaken internal financing because it will reduce retained earnings. (Hasfadillah, 2020) Research on the effect of dividend policy as a mediator between liquidity and company value has been researched by (Julita, Kamaliah, and Fadhli 2015) which states that liquidity as assessed from the company's free cash flow has an influence on company value.

Connection Variable Profitability to Company Value

Profitability show how far the company manage their own capital in a manner effective, measure level profit from investment that has carried out by the owners themselves or holder stock. Profitability in study This represented by *Return On Assets* is one_measuring ratio_ability company produce profit clean based on level certain assets (Horne and Wachiwicz, 2013).

Profitability can counted with Return on Assets which is comparison profit clean with asset company that can formulated as following (Zeitun & Saleh, 2015). the height profitability will give signal to the capital market that condition performance company are in a good position so that interesting interest potential

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investors in the capital market. Ross in Riska (2020) is also of the opinion that profitability can radiate signal positive to the capital market so that increase mark company. A number of research previously also showed that profitability influential positive to mark companies (Patricia et al., 2018; Le, 2019).

Influence Solvability to Company Value

Solvency is a measure of a company's ability to meet its financial obligations, which consist of short-term debt and long-term debt. Solvability in this study is represented by *the Debt to Equity Ratio,* which is the debt ratio used to measure the ratio between total debt and total assets. In other words, how much the company's assets affect asset management. (Kasmere, 2014). Based on MM Theory (Walter, 1963) which states that the level of debt can increase the value of the company by obtaining benefits from taxes. On the other hand, *the trade off theory* put forward by Myers (1984) states that debt is a tool that can increase firm value as long as the profit costs are greater than the costs of financial distress. The arguments and theories above show that capital structure influences firm value. Some of the results of previous studies found that solvency has a positive and significant effect on firm value, which means high solvency will increase firm value (Darmawati et al., 2018; Muharti & Anita, 2017).

The Effect of Liquidity on Firm Value

Liquidity can describes the ability of a company to meet its financial obligations that must be met immediately. Liquidity in this study is represented by the Current Ratio, which is one of the ratios most commonly used to measure a company's liquidity or ability to meet short-term obligations without facing difficulties. Liquidity is the company's ability to fulfill its obligations (Zuhroh, 2019).

Liquidity can increase firm value by reducing the cost of capital expenditures, so that investment policies increase and investor confidence also increases (Cheung et al. 2015). Liquidity is an aspect that can increase investor confidence (Faure-Grimaud, A., & Gromb, 2004). High liquidity indicates that the company is in good condition so that the demand for company shares increases and the value of the company increases (Mentality, 2019). The description shows that liquidity has a positive and significant effect on firm value, meaning that the higher the company's liquidity, the firm's value is increasing. (Chen, 2017).

Framework Think

In study This researcher use variable independent among them Inflation, value exchange rupiah, tribe flower to variable dependent price share through profitability as intervening variables in the company manufacturing. So that can depicted framework thinking as following :
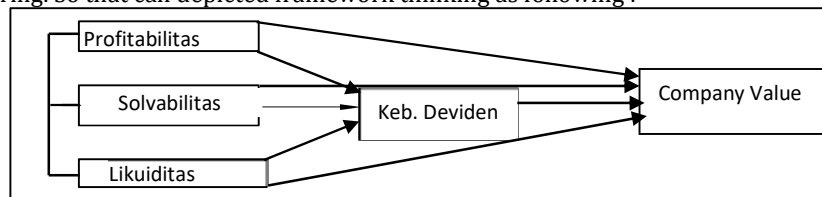

Figure 1. Framework Thinking

Based on picture on can explained as following :

- There is influence Profitability (X1) to mark company through policy dividends on Manufacturing Companies year 2018-2022 with see results testing regression. supported study formerly by Djashan, IA (2019)
- There is influence Solvability (X2) to mark company through policy dividends on Manufacturing Companies year 2018-2022 with see results testing regression. supported study previously by Fosu, et al (2016).
- There is influence Liquidity (X3) against mark company through policy dividends on Manufacturing Companies year 2018-2022 with see results testing regression. supported study previously by Chen, et.al (2017)
- There is There is influence Profitability (X1) to mark company
- There is influence Solvability (X2) to mark company
- There is influence Liquidity (X3) against mark company
- There is influence Policy Dividend (Z) to value in Manufacturing Companies year 2018-2022 with see results testing regression. supported study previously by Raisa Fitri (2017).

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- There is influence profitability, solvency, and against mark company through policy dividends on Manufacturing Companies year 2018-2022 with see results testing analysis regression and analysis path. supported study formerly Dewi Fitriana, et al (2016).

3. METHOD

The type of data used in study This is quantitative data, namely data used in research This form report finance. And on research This data source used is secondary data, namely data that comes from from report finances that have processed by each company manufacture period year used_in study this, started from 2018 – 2022. Secondary data This obtained from the IDX website (www.idx.co.id).

Method data collection used in study This is with method collect documentation data company. How to documentation This obtained from report finance company manufacturers listed on the IDX for the 2018 - 2022 period are taken from the official website namely www.idx.co.id.

Population is whole amount consisting_on object or subject that has characteristics and quality certain set_researcher for researched and then pulled the conclusion (Sugiyono, 2014) In study this is what it becomes population is all company sector manufacturing 2018 – 2022 on the Indonesia Stock Exchange (IDX)

Sample is part from a number characteristics possessed by the population used_For research. If the population great, researcher No Possible take all For study example Because limited funds, manpower, and time, then researcher can use sample taken_from population that (Sugiyono, 2014). What is learned from sample, in conclusion will can enforced For population. For That sample taken_from population must really__ represent and valid, ie Can measure something it should measured. The criteria - the criteria used in study sample, in table under this :

Table. 1 Sample Study

No	Criteria
1	Manufacturing companies listed on the Indonesia Stock Exchange 2018 – 2022
2	Manufacturing companies conducting del i tsting on the Indonesia Stock Exchange in 2018–2022
3	Manufacturing companies registered on the Indonesia Stock Exchange that do not issue Report Annual complete during the year of observation
4	Manufacturing companies that have complete data related with the variables used in study

Explanation from table on amount report finance used_as sample in study This totaling 145 reports originating finances_of 29 companies samples listed on the Indonesia Stock Exchange (IDX) for 5 years ie 2018 to_with year 2022.

4. RESULTS AND DISCUSSION

Analysis Results Descriptive

Analysis statistics descriptive used For know description data that is seen from mark maximum, minimum value, average value (mean), and value standard deviation. In study this, the variable used in calculation statistics descriptive is ROA (X1), DER (X2), CR (X3), DPR (Z) and Q (Y) values.

Classic assumption test
Normality Test

Test it used For know is population data normally distributed or no. Good estimation model_have normally distributed data or close to normal. For know whether the data is normally distributed or No in study This using the Jarque-Bera test. If mark probability obtained more big of α = 5%, then accept H0, which means that the residual data is normally distributed (Winarno, 2009).
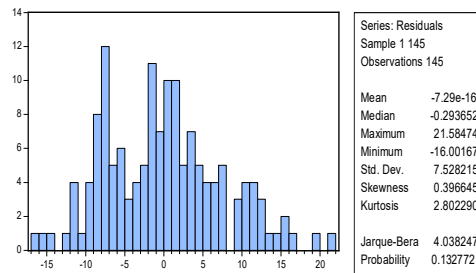
Figure 1. Normality Test with the Jarque-Bera Test

Take note that based on Figure 1, it is known mark probability from JB statistic is 0.132772. Because of value probability p, which is 0.132772 more big compared to level significance, namely 0.05 means the data normally distributed.

Multicollinearity Test

Multicollinearity test aim For see there is There is or nope high correlation between variables independent in a multiple linear regression model. In study this is a symptom multicollinearity can seen from the value of Variance Inflation Factor (VIF). Ghozali (2013) states If VIF value > 10 then matter This is indication exists multicollinearity. Multicollinearity test results presented in Table 2.

Table 2. Multicollinearity Test Results with VIF Test

Information	Centered VIF
Profitability	1.058813
Solvability	1.165061
Liquidity	1.224981
Dividend Policy	1.099124

Based on Table 2. results testing multicollinearity, got concluded that No there is symptom multicollinearity between variable independent Because VIF value < 10 (Ghozali, 2013).

Autocorrelation Test

Assumption about independence to the residual (non- autocorrelation) can tested with using the *Durbin-Watson* test. Statistical value of the *Durbin-Watson* test ranges between 0 and 4. Statistical value than the Durbin-Watson test which is more small of 1 or more big out of 3 means it has happened autocorrelation.

Table 3 Autocorrelation Test with the Durbin-Watson Test

Likelihood logs	-497.9498	Hannan- Quinn criter.	6.978947
F-statistics	7.392107	**Durbin-Watson stat**	**2.023786**

Based on Table 3, values from the Durbin-Watson statistic is 2.03786. Take note that Because mark statistics *Durbin-Watson* lies between 1 and 3, namely 1 < 2.03786 < 3, then non- autocorrelation assumptions fulfilled. In other words, no happen symptom high autocorrelation on residuals.

Heteroscedasticity Test

For test is happen heteroscedasticity or no, can the Breusch-Pagan test was used. Table 4. presented results testing heteroscedasticity with using the Breusch-Pagan test. With the provision that if the Prob value is > 0.05, it means that the model does not have heteroscedasticity.

Table 4.Test Heteroscedasticity with the Breusch-Pagan Test

Heteroskedasticity Test: Breusch-Pagan-Godfrey			
F-statistics	1.551871	Prob. F(4,140)	0.1906
Obs *R-squared	6.156218	**Prob. Chi - Square(4)**	**0.1878**

Source : Processed Results EViews 10 *software*

Based on the results of the Breusch-Pagan test in Table 4.4 are known mark *probability chi square* 0.1878 > 0.05 so can concluded that No happen heteroscedasticity.

Regression Analysis

Analysis panel data regression is combination from time series and cross-section data. Analysis panel data regression is analysis For know connection between One dependent variable or with two or more independent variables, which in this study researching the influence of profitability is proxied by *Return on Assets,* solvency is proxied by *the Debt to Equity Ratio,* liquidity is proxied by *the Current Ratio* and dividend policy is proxied by *the Dividend Payout Ratio* to company value proxied by *Tobin's Q.* Based on table 4. shows that results estimate with use *common effect model.* So obtained equality panel data regression as following :

$$Tobin's\ Q = -3.460357 + 15.30278ROA + 0.057676DER + 1.067997CR + 0.266784DPR$$

Equation results regression can concluded as following :

1. When Profitability (ROA) is 0, then Tobin's Q occurs of -3.460357. Temporary it, Research and Development increase by 1% then Tobin's Q will be experience decline mark ie about 15.3%.
2. When Solvability (DER) is 0, then Tobin's Q occurs of -3.460357. Temporary it, Research and Development increase by 1% then Tobin's Q will be experience decline mark ie about 5.76%.
3. When Liquidity (CR) is 0, then Tobin's Q occurs of -3.460357. in the meantime it, Research and Development increase by 1% then Tobin's Q will be experience decline mark ie about 10.68%.
4. When Policy Dividend (DPR) is worth 0, then Tobin's Q occurs of -3.460357. Temporary it, Research and Development increase by 1% then Tobin's Q will be experience decline mark ie about 26%.

Test Models
F test

Based on table 5, the F test was used For know is variable independent in a manner together__ to variable dependent influential in a manner significant or no. F test can seen from probabilities on the outcome output analysis regression, from results the can concluded that influential variables_if its probability_own significant below 0.05 or value level significance below 5%. following F test results based on results *common effect* model estimates on value company :

Table 5. F test results

Information	Mark	Remarks__	Mark
R-squared	0.174375	Mean dependent var	-0.109592
Adjusted R-squared	)785	SD dependent var	8.285152
SE of regression	7.635004	Akaike info criterion	6.937238
Sum squared residue	8161059	Schwarz criterion	039884
Likelihood logs	-497.9498	Hannan-Quinn criter.	6.978947
F-statistics	7.392107	Durbin-Watson stat	2.005961
Prob(F-statistic)	0.000020		

Results obtained based results *common effect* model estimates on value company is F – Statistics on research This as big 7.392107 and the prob value is 0.000 2 < 0.05, so can concluded that variables__ independent profitability, solvency, liquidity and policies dividend in a manner together__ influential to variable dependent mark company (Tobin's Q).

Coefficient Determination (R $^{2)}$

Based on table 6. shows that use coefficient determination that is For test level attachment between variable dependent and independent who can seen from magnitude mark coefficient determinant (*Adjusted R-Square)*. The more big *Adjusted R Square* (R $^{2)}$ means variable independent give almost all required information_to variable dependent To use predict variations that occur in the variables dependent.

Following results coefficient determination based on results *common effect* model estimates on value company.

Table 6. Results of the Coefficient of Determination

Information	Mark	Remarks_	Mark
R-squared	0.174375	Mean dependent var	-0.109592
Adjusted R-squared	0.150785	SD dependent var	8.285152
SE of regression	7.635004	Akaike info criterion	6.937238
Sum squared residue	8161059	Schwarz criterion	7.039884
Likelihood logs	-497.9498	Hannan-Quinn criter.	6.978947
F-statistics	7.392107	Durbin-Watson stat	2.005961
Prob(F-statistic)	0.000020		

Results used based on results estimate *common effect model* is mark coefficient determinant or *adjusted R Square* (R2) of 0.150785. matter This indicate that mark performance finance own attachment or can explained by profitability, solvency, liquidity and policies dividend is by 15% and more or 85% is determined by the variable outside research.

Test hypothesis
t test
Hypothesis test results For testing Partial used the t test for show how much significant influence variable independent to variable dependent. In study this, there is three significant or *level of significance* that is significance at the level of 0.01 (1%), 0.05 (5%), or 0.1 (10%). Result_study This can concluded If influential variables_to mark company own significance below 0.01, 0.05 and 0.1 or mark level significance under 1%, 5% and 10%. following t test results based on results *common effect* model estimates on value company :

Table 7. Test Results t

Variables	coefficient	std. Error	t-Statistics	Prob.
C	-3.46035	1.573125	-2.199671	0.0295
Profitability	15.30278	6.056919	2.526496	0.0126
Solvability	0.057676	0.459155	0.125614	0.9002
Liquidity	1.067997	0.520947	2.050105	0.0422
Policy Dividend	0.266784	0.089303	2.987398	0.0033

Variable profitability (ROA) in the table on own mark coefficient of 15.30278 and a probability of 0.0126 < 0.05 means profitability significant at the 5% level, proves that level trust profitability positive and significant to mark company on company manufacturers listed on the IDX in 2018 – 2022.
Variable Solvability (DER) in the table on own mark coefficient of 0.057676 and a probability of 0.9002 > 0.05 means solvency significant at the 5% level, proves that level solvency influential positive and no significant to mark company on company manufacturers listed on the IDX in 2018 – 2022.
Variable Liquidity (CR) in the table on own mark coefficient of 1.067997 and a probability of 0.0422 < 0.05 means liquidity significant at the 5% level, proves that level liquidity influential positive and significant to mark company on company manufacturers listed on the IDX in 2018 – 2022.
Variable Policy Dividends (DPR) on the table on own mark coefficient of 0.266784 and a probability of 0.0033 < 0.05 means liquidity significant at the 5% level, proves that level liquidity influential positive and significant to mark company on company manu facturers listed on the IDX in 2018 – 2022.

Discussion of Research Results
Influence Profitability to Company Value through Policy Dividend
Test results profitability with proxy *Return On Assets* to Policy Dividends on research This show mark coefficient of 13.48504 and value significance 0.0173 <0.05. Analysis results profitability with ROA proxy against mark company showing coefficient regression 15.30278 and value significance 0.0126 <0.05. Firm Value (Y) on the variable intervene dividend policy (Z), found that dividend policy influential positive

and significant to mark company with mark significance 0.0033 < 0.05 and coefficients regression = 0.266784. Test results variable profitability proxied by *Return On Assets* effect_positive significant to mark company through policy dividend.

Influence Profitability to Company Value

Test results profitability with proxy *Return On Assets* to mark company own mark coefficient as big 15.30278 and probability of 0.0 1 2 6 < 0.05 this means profitability significant at the 5% level, proves that level trust profitability positive and significant to mark company on company manufactures listed on IDX in 201 8 – 202 2. this_showing that profitability influential in a manner positive and significant to mark company.

The Effect of Solvency on Firm Value Through Dividend Policy

Test results solvency with proxy *Debt to Equity Ratio (DER)* to Policy Dividends on research This show mark coefficient as big -0.046451 and value significance 0.9147 > 0.05. Analysis results solvency with DER proxy against mark company showing coefficient regression 0.057676 and value significance 0.9002 > 0.05. Test results variable solvency proxied by DER is *influential* negative and no significant to mark company through policy dividend.

The Influence of Solvency on Firm Value

Analysis results solvency with DER proxy against mark company showing coefficient regression 0.057676 and value significance 0.9002 > 0.05 This means solvency significant at the level of 5%, prove that level solvency has no effect significant to mark company on company manufactures listed on IDX in 201 8 – 202 2. Test results variable solvency proxied by *DER* is not influential significant to mark company.

Study This No in line with *Trade -off theory* that is solvency No influential in a manner significant and negative to firm value. This shows that companies in financing their assets tend to use their own capital (*internal financing)* which comes from retained earnings and share capital rather than using debt. The adequacy of funds owned by the company to finance its assets obtained from its own capital makes the company reduce the proportion of its debt.

The Effect of Liquidity on Company Value Through Dividend Policy

Test results liquidity with proxy *Current Ratio* to Policy Dividends on research This show mark coefficient as big 1.130014 with mark significance 0.0204 < 0.05. Variable liquidity (CR) has mark coefficient as big 1.067997 and probabilities as big 0.0422 < this 0.05 means liquidity significant at the 5% level, proves that level liquidity influential positive and significant_to mark company on company manufactures listed on IDX in 201 8 – 202 2. Test results variable proxy liquidity_*Current Ratio* influential positive significant to mark company through policy dividend.

The Effect of Liquidity on Firm Value

Analysis results found that liquidity influential positive and significant to mark company with mark significance 0.0422 <0.05 and coefficients regression = 1.067997 This means liquidity significant at the 5% level, proves that level liquidity influential positive and significant_to mark company on company manufactures listed on IDX in 201 8 – 202 2.

In study This proxy used_ie CR because researcher want to see how much Lots asset fluent Can worn For pay off obligation smoothly. The more large CR owned show magnitude ability company in fulfil need operational especially working capital which is very important For maintain performance_company in the end influence mark company (Husnan and Pudjiastuti, 2015). CR often also called_working capital ratio showing_amount assets smoothly owned_company For respond need business and move on activity business daily company.

Policy Influence Dividend Against Company Value

test results obtained dividend policy and firm value has a positive relationship of 0.0033 <0.05 and coefficients regression = 0.2667 This means Policy Dividend significant at the 5% level, proves that level liquidity influential positive and significant_to mark company on company manufactures listed on IDX in 201 8 – 202 2.

The result then this research strengthens *bird in the hand theory* and *signaling theory.* More investors choose company with level gift high dividends_than *capital gains,* because dividend own small risk and can_controlled. This too of course will radiate signal to investors so mark company increase.

According to theory *signaling* by Spence (1973), dividends worn as a signal by the company that is reflected in stock returns. If company feel that future prospects_well, income, expected cash flow increase or earned at the rate at which dividends are increasing the paid, then company will increase dividend. In line with research by Windia et al, (2018) stated that policy dividend influential positive and significant to mark company in accordance with theory signal.

5. CONCLUSION

Profitability proxied by Return *On Assets has an* effect positive significant to mark company through policy dividend. The solvency proxied by DER matters negative and no significant to mark company through policy dividend. Proxied liquidity_*Current Ratio* influential positive significant to mark company through policy dividend. Profitability influential in a manner positive and significant to mark company. The solvency proxied by DER is not influential significant to mark company. Liquidity influential positive and significant to mark company. Policy Dividend influential positive and significant to mark company

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