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The Influence of Liquidity Ratio, Operating Activity Ratio and Capital Structure on Firm Value with Firm Size as A Moderating Variable in Property and Real Estate

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ABSTRACT: *This study aims to analyze the influence of liquidity ratio, operating activity ratio, and capital structure on firm value with firm size as a moderating variable. The research adopts a quantitative approach using secondary data obtained from the annual financial statements of property and real estate companies listed on the Indonesia Stock Exchange (IDX) during period 2020 – 2024 with a total sample of 24 observed companies. The data were analyzed using panel data regression with Moderated Regression Analysis (MRA) assisted by STATA 17 software. The results indicate that liquidity ratio and capital structure have a significant effect on firm value, while operating activity ratio do not have a significant effect. Furthermore, firm size does not moderate the relationship between liquidity ratio and capital structure with firm value, but it dose strengthen the relationship between operating activity ratio and firm value. Liquidity ratio, operating activity ratio, and capital structure silently influence firm value. These findings provide important implications for stakeholders in considering firm size as a factor in decision-making to enhance firm value.*

Keywords: Liquidity Ratio, Operating Activity Ratio, Capital Structure, Firm Value, Firm Size.

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I. INTRODUCTION

Every company that is listed on the stock exchange has the goal of maximizing the value of the company in order to achieve optimal profits for all stakeholders. The determination of a company's value is one of the main factors in investment, which can be measured through the stock price. Investors as one of the stakeholders in a company determine their investment priorities based on the company's value. A company's value indicates a company's performance in creating wealth and profitability which is reflected in its stock price, earnings per share, and other financial ratios. Financial statements are the main source of information because they include activities used to assess a company's performance.

The property and real estate sector involves various activities such as development, purchase, sale, and property management in the form of land, buildings, and commercial or residential properties. One of the factors that determine the success or growth of a company is the size of the company. There are small companies to large companies in the size of companies in the property and real estate sectors. The criteria used to group the size of the company vary between countries, regions, and/or resources used. The Indonesia Stock Exchange in mid-2025 will list as many as 94 companies in the property and real estate sectors with a choice of trading boards that depend on certain requirements and criteria if they want to list their company shares. The main board is a record board that is reserved for large companies and has a minimum of three years of operational experience with good financial performance. Whereas, a development board is a record board for growing medium-sized companies with positive prospects. As one of the property and real estate sectoral indices used on the Indonesia Stock Exchange (IDX), IDXPROPERT functions as a composite indicator that reflects the movement of stock market value in the sector, the following table of the development of the property and real estate sectoral indices during 2020 – 2024 to identify changes in the company's value during this research period.

Table 1. Development of the Property and Real Estate Industry Sectoral Index in 2020 – 2024

No.	Year	IDXPROPERT values	Change (YoY/YTD %)
1.	2020	451,23	-21,23
2.	2021	773,06	-19,11
3.	2022	711,25	-8,00
4.	2023	714,18	0,41
5.	2024	756,84	5.97

Source : Fact Book of the Financial Services Authority (OJK), 2020 – 2024.

Table 1. The above shows the development of the property and real estate industry sectoral index with the code IDXPROPERT from 2020 – 2024 experiencing fluctuations that illustrate market dynamics and investor perceptions of this sector. In 2020, the value of the index closed at the level of 451.23 points, becoming the highest decline in the property sector of 21.23% year-to-date. This decline occurred due to the direct impact of the Covid-19 pandemic which significantly suppressed property sector activity for almost 1 year. Furthermore, in 2021 the value of the property sector index increased quite drastically to 773.06 points, but in percentage terms it still showed a decrease of 19.11% compared to the previous year. This indicates that the property sector had experienced a nominal recovery in value after the pandemic, but this condition has not been completely stable and is still vulnerable to structural pressures that have an impact on company value. Entering 2022, IDXPROPERT again experienced a decline in value to 711.25 points or weakened by 8.00% YTD. This decline occurred in the midst of an uneven economic recovery process and external challenges such as rising interest rates and inflation. In 2023, the index was relatively stagnant with a slight increase to 714.18 points and recorded a growth of 0.41%. This flat performance shows that there is still uncertainty in the market regarding the prospects of the property sector. A positive trend will begin to be seen in 2024 with the value of the property sector index rising to 756.84 points or an increase of 5.97%. This improvement reflects a more consistent recovery process, supported by rising investor confidence and improved market expectations for the performance of companies in the property and real estate sectors. Overall, the five-year change in IDXPROPERT's value reflects investor perceptions of the performance and long-term prospects of companies in the property and real estate sectors. The increase in the index reflects an increase in the company's market value, which indicates that investors consider companies in the property sector to have good growth prospects and promising financial performance. On the contrary, a decline in the index indicates a decline in investor interest, which often reflects concerns about sector instability with declining demand or weakening corporate profitability.

Financial ratios are a very important tool in analysing a company's financial performance. Financial ratios in general can be grouped into four main categories, namely liquidity ratio, solvency ratio, profitability ratio, and activity ratio. The liquidity ratio provides an idea of the liquidity or ability of a company to meet its financial obligations in a short period of time. The activity ratio provides information about the extent to which a company can generate sales or revenue from each unit of asset it owns. Using financial ratios, investors and other stakeholders can assess a company's ability to manage resources and liabilities to achieve its long-term goals. Financial performance measures such as profitability and liquidity provide valuable tools for stakeholders to assist in evaluating the company's past financial performance and current position (Erasmus, 2008: 66). Liquidity management deals with a company's ability to convert its assets into cash in a very short period of time by involving the company's current assets and current liabilities. A company's liquidity position indicates its ability to meet the company's current liabilities and liquidity health as measured by the current ratio.

A high level of liquidity indicates that the company is in good shape, so the demand for stocks and stock prices increase. However, stock prices tend to fall when investors consider the company to be too liquid which can result in a decrease in stock attractiveness due to the cost of storing unproductive assets conveyed by Prayitno (2008) in (Mentalita et al, 2019: 2). The activity ratio, also known as the efficiency ratio, is used to evaluate the level of efficiency a company has in utilizing its assets and liabilities to generate sales and maximize profits. One of the key measures in this ratio is the asset turnover ratio. If this ratio value shows an increase over time, it reflects an increase in the company's operational efficiency. This is as expressed by Rufaidah (2013) in (Arniwita et al. 2021: 87). Meanwhile, according to Sherman (2015) in (Fitzgerald, 2024: 38) The activity ratio refers to the extent to which the company is able to optimize the use of assets to generate profits, especially for shareholders who have invested capital in the form of company assets. If assets are not managed optimally, then this can incur additional costs (burdens) that have an impact on declining profits. On the contrary, efficient asset management will increase potential profits while reducing operational expenses. In line with this view, Brigham & Houston (2013) states that activity ratio aims to assess the extent to which a company is able to effectively manage its assets in order to create economic value.

One of the factors that affect the value of a stock is financial decisions, such as the capital structure that describes the comparison between debt and equity recorded in the company's financial statements at the end of the year. Good management of the capital structure provides opportunities for companies to allocate funds efficiently, support the company's survival, and reduce capital costs. An optimal capital structure can increase a

company's value, but excessive use of debt can increase the risk of bankruptcy. Therefore, the company must manage the capital structure carefully. The company's capital structure includes long-term debt, retained earnings, and equity. In the traditional approach, the use of financial leverage (debt divided by one's own capital) can reduce the cost of capital and increase the stock price and increase the value of the company. Capital structure deals with the ratio between debt and equity in financing, which reflects a company's debt ratio. Therefore, debt is a major component in the capital structure. Capital structure plays a key role in improving the productivity and performance of a company. Capital structure theory reveals that financial decisions regarding the composition of debt and equity aim to optimize the value of the company. The manager should choose a capital structure that is expected to generate the highest value for the company, as this will provide maximum benefits to the shareholders. However, there is a risk to shareholders if the company faces financial difficulties and operating profits are not enough to pay the interest on the debt and in such situations it is the shareholders who have to cover the losses or even face the bankruptcy of the company. (Hirdinis, 2019: 176).

Company size is used as a moderation variable, because the size of the business scale can strengthen or weaken the influence of financial ratios on company value. In other words, the relationship between the ratio of liquidity, operational efficiency and capital structure to the value of a company is not constant, but rather can vary depending on the size of the company itself. Large-scale companies tend to have wider access to financial resources, operational systems, and higher credibility in the eyes of investors and creditors on strengthening the company's value. In contrast, small-scale companies may face limitations in resource management and financial risks. Therefore, company size is an important factor that needs to be considered in understanding the dynamics of determining company value, especially in the context of the property and real estate sectors.

The liquidity ratio provides an idea of the liquidity or ability of a company to meet its financial obligations in a short period of time. Research Sholatika & Triyono (2022) explained that liquidity has a significant effect on the company's value. If liquidity increases, the value of the company also increases. This proves that investors will be interested in companies with good liquidity levels. However, this is not in accordance with the study Dewiningrat & Baskara (2020) which explains that liquidity does not have a significant influence on the company's value. The activity ratio measured through total asset turnover is used to assess the level of effectiveness in the utilization of all company assets in generating sales revenue, or in other words showing how much sales can be obtained from every one rupiah of assets owned by the company. Research conducted Ulfah & Abbas (2021) found that the activity ratio has a significant effect on the value of the company, as the high Total Asset Turnover (TATO) reflects the efficiency of the company in using assets to generate sales, which ultimately increases investor attractiveness. However, this is contrary to the research revealed Akbar & Nugraha (2022) that the activity ratio has no significant effect on the company's value. Furthermore, the capital structure provides information about a company that finances its operational activities and investments using its own debt or capital. Research conducted Silvia & Toni (2020) Indicates that the capital structure has a significant impact on the value of the company. Instead, research provided by Almomani et al. (2022) indicates that the capital structure does not have a significant impact on the value of the company. The results of the research conducted Marjanah & Hariani (2023) It is concluded that company size as a moderation variable is able to strengthen the influence of the relationship between liquidity ratio, activity ratio and capital structure with company value. On the other hand, research conducted by and Wulandari & Wardani (2024) reveals that the size of the company is not able to moderate liquidity, operating activities, and capital structure to the value of the company. Other research was conducted by Putri et al. (2023) Explain that liquidity ratios, activity ratios, and capital structure simultaneously or jointly have a significant effect on the company's value.

Based on the explanation above, it can be seen that the results of the opposite research are shown by the possibility of a variable of company size that acts as a moderator. Therefore, further research can be conducted to identify such moderation variables and understand the influence of liquidity ratios, operating activity ratios, and capital structure on the value of the company. Thus, the author is interested in studying more deeply the research entitled **"The Effect of Liquidity Ratio and Operating Activity Ratio and Capital Structure on Company Value with Company Size as a Moderation Variable in Property and Real Estate Companies Listed on the Indonesia Stock Exchange".**

II. LITERATURE REVIEW

Agency Theory

This theory was originally developed in management theory by Berle and Means (1933), then applied to financial management and shareholder interests by Fama (1970, 1980), and later presented in modern form by Jensen and Meckling (1976). According to Jensen and Meckling (1976) in (Dang et al., 2019: 148) states that agency theory focuses on a relationship similar to a contract, where an employer assigns a job to someone as an operator. This theory describes the interaction between managers and shareholders, as well as between shareholders and creditors. In this context, the fund provider authorizes the manager to make decisions, as well as manage the company's strategy and operations.

Stakeholder Theory

The term stakeholder first appeared in 1963 in an internal memo at the Stanford Research Institute (SRI), as a form of criticism of the view that only shareholders should be considered by management. In the late 1970s to 1980s, management theory began to evolve to answer the challenges of uncertainty and high changes in the business world. In the midst of these changes, Freeman (1984) introduced stakeholder theory, which states that a company should be understood as a set of relationships between various parties who have an interest in business activities, such as customers, suppliers, employees, investors, communities, and managers. This theory aims to answer three main problems in business: how to create and exchange value in a rapidly changing world, how to connect ethics with capitalism, and how managerial mindsets should evolve (Parmar et al. 2010: 3).

Trade-Off Theory

This exchange theory states that the value of a leveraged company is equal to the value of a non-leveraged company plus the value of any side effects that include tax protection and expected costs due to financial hardship (Brigham & Daves, 2007: 522-523). The trade-off theory states that the use of debt in the capital structure is beneficial to the organization because the use of more debt in the capital structure results in tax benefits. Underlining the trade-off theory, corporate management prefers to use more debt in its capital structure, and corporate management is required to strike a balance between tax benefits and borrowed capital costs.

Signalling Theory

According to Brigham and Houston (2013) in the journal (Wigati, 2020: 30) it is explained that the actions of company management to provide information about the company's prospects to investors are referred to as signals. Signal theory explains that companies have an incentive to provide information through their financial statements to outsiders because there is an information imbalance between the company and outsiders. Outsiders then judge the company based on a variety of different cues. Limited information about the company can result in outsiders protecting themselves by offering low prices for the company's shares, and others who do not have information will have the same perception of the value of all companies. This kind of conception is detrimental to companies that actually have better performance, because outsiders will judge the company lower than it should, and vice versa (Taufiq & Wahidahwati, 2016: 3).

Market Value Theory

The value of a company is very attractive to investors and shareholders, and they pay enough attention to the market value. The value of a company is usually associated with the market price of the stock, and reflects the investor's perception of the company (Almomani et al., 2022: 1074). Market prices are determined by the strength of demand and supply in the stock market, as investors buy and sell securities based on their expectations of the company's future performance and profitability, taking into account the company's current and previous health and wealth conditions. The market price per share of a company is very important because it is a measure of its performance (Edokpa et al., 2024: 3321).

Liquidity Ratio

According to Riyanto, Bambang (2010: 25) explained that the definition of liquidity is "matters related to the issue of a company's ability to meet its financial obligations that must be paid off immediately". A company is considered liquid if it has the ability to pay so that it can fulfill all its financial obligations. Meanwhile, companies that do not have the ability to pay are called liquid.

Activity Ratio

Activity ratio is a measure used to measure the effectiveness of a company using its assets, including efficiency in using existing resources. In addition, this ratio is also used to assess the company's day-to-day activities. Based on the results of this ratio measurement, it can be decided whether the company has effectively and efficiently used the resources it has or not (Power, 2019: 178).

Capital Structure

Capital structure is a comparison of a company's long-term funding shown based on the ratio of long-term debt to its own capital. Companies usually have two sources of funding, which are from the company's internal and external companies. The company's internal sources come from share capital, profits are withheld. Meanwhile, external funding is from debt. Companies that can meet their funding needs internally will be very good because they can maximize the company's value. Compared to if you have to look for external parties. This is because it can increase the company's risk and can become dependent. The size of the capital structure used by the company is influenced by several factors, such as the amount of capital needed, the company's management, and the size of the company. (Aryawati et al., 2022: 46).

Company Values

According to Husnan (2002) in the book Nilai Perusahaan karya (Marantika, 2012: 18) Explaining that the value of the company also plays an important role as the main reference for investors in assessing the feasibility of investment, because it provides an idea of how big the prospects and potential profits of the company are. Therefore, maximizing the value of the company is not always in line with an increase in profit in accounting, but is more related to profit in an economic sense, that is, the amount of wealth that can be consumed without reducing the initial capital of the company owner.

Company Size

Company size is generally represented by total assets in a common measurement. Since the total value of assets tends to be much greater than other financial variables, the use of natural logarithms is used to stabilize variability and reduce the likelihood of heteroscedasticity in the analysis Sweat *et al.*, (2022: 113). The larger the total assets and sales of a company, the higher the capital invested and also the turnover of money, and with an increasing market capitalization, the profit obtained will be much greater (Peranginangin, 2015: 6).

The Influence of Variables and Research Hypothesis Formulation

The Influence of Liquidity on Company Value

The Current Ratio is commonly referred to as the liquidity ratio, describing a comparison of the amount of current asset availability owned by a company with total current liabilities. The relationship between the amount of current liabilities and current assets must be continuously monitored by the company, as it is essential for the evaluation of its company's ability to meet its short-term obligations using current assets. Companies that have higher current liabilities than current assets will usually experience liquidity difficulties when their current liabilities mature (Hery, 2019: 152). If the company has a high current ratio value and stable profit growth, it can show that the company has good liquidity and is able to meet its short-term obligations in achieving healthy profit growth. Conversely, a low current ratio can be a sign that the company is facing liquidity problems and difficulties in developing its business and can affect performance and profit growth. The influence of liquidity on a company's performance has prompted a lot of theoretical and empirical research to understand its impact on a company's profitability. The relationship between liquidity and profitability is still a matter of debate, with some studies concluding that the two are negatively linked, while others conclude that there is a positive relationship (Umobong, 2015: 97-98).

Research Sholatika & Triyono (2022) explained that liquidity has a significant effect on the company's value. If liquidity increases, the value of the company also increases. This proves that investors will be interested in companies with good liquidity levels. However, this is not in accordance with the study Dewiningrat & Baskara (2020) which explains that liquidity does not have a significant influence on the company's value.

H1: The liquidity ratio has a significant effect on the value of the company.

The Influence of the Ratio of Operating Activities on the Company's Value

Total Assets Turnover (TATO) is one of the activity ratios to measure how active a company's assets are and the extent to which the company is able to generate revenue from the assets it owns (Ermaini et al., 2021: 103). A company's value reflects the market's perception of the company's long-term performance and prospects. If the company has a high total asset turnover, it shows that the company is able to manage its assets efficiently to generate revenue, which can ultimately increase the company's value. The increase in operational efficiency reflected in a good activity ratio indicates that the company is able to make optimal use of assets, which contributes to positive investor perception and an increase in stock prices. Conversely, low total asset turnover can indicate a company's inability to optimize assets to generate revenue, which can negatively impact the company's value due to declining investor confidence.

Previous research that has been conducted by Ulfah & Abbas (2021) found that the activity ratio has a significant effect on the value of the company, as the high Total Asset Turnover (TATO) reflects the efficiency of the company in using assets to generate sales, which ultimately increases investor attractiveness. However, this is contrary to the research revealed Akbar & Nugraha (2022) that the activity ratio has no significant effect on the company's value.

H2: The ratio of operating activities has a significant effect on the company's value.

The Influence of Capital Structure on Company Value

The capital structure aims to combine the sources of funds used by the company to finance its assets and operational activities. This arrangement includes the proportion between funds derived from equity (own capital) and funds obtained through debt. Capital structure is a crucial element in financial management because it has an impact on the level of risk and return faced by the company, and has the potential to affect the company's overall value (Tarigan et al. 2023: 87). Decision-making related to capital structure includes considerations between risk

and potential returns. Additional debt can increase the company's risk, but on the other hand it also has the potential to raise the expected rate of return. Increased risk due to larger debt tends to depress stock prices, while higher yield expectations can actually drive up stock prices. Therefore, an optimal capital structure is one that is able to effectively balance between risk and return, so as to maximize the value of the company's shares (Brigham and Houston, 2001) in (Arniwita et al. 2021: 26).

Research conducted Silvia & Toni (2020) Indicates that the capital structure has a significant impact on the value of the company. On the contrary, the research provided Almomani et al. (2022) indicates that the capital structure does not have a significant impact on the value of the company. Some studies show that increasing debt can increase a company's value as long as it has not exceeded the optimal limit. This is in line with the theory Trade-off which states that as long as the benefits of using debt are greater than those incurred, then the value of the company will increase. In other words, the capital structure affects the value of the company.
H3 : Capital structure has a significant effect on the value of the company.

The Influence of Liquidity Ratio on Company Value with Company Size as a Moderation Variable

The liquidity ratio indicates the company's ability to meet its short-term obligations. The Current Ratio (CR) is often used to measure a company's liquidity level. Good liquidity can increase investor confidence, as the company is considered capable of meeting its short-term obligations without difficulty (Ross et al. 2019). Total assets are used as an intermediary of the size of the company with logarithmic values as variables. The sales of a company from the total assets are larger, the higher the invested capital and the money turnover will be higher and the market capitalization will increase in size and the larger the market capitalization can obtain a much larger profit (Sulistyani et al., 2019: 77).

However, the effect of liquidity on a company's value can vary depending on the size of the company. Large companies generally have wider access to financing, more established risk management systems, and better ability to cope with financial pressures than small companies. Therefore, company size has the potential to moderate the relationship between liquidity and company value (Nurlela & Islahuddin, 2008). Previous research that has been conducted by Marjanah & Hariani (2023) conducted research with the results that the size of the company is able to strengthen the ratio of liquidity to company value. This is in line with research conducted by Ayem & Mother (2023). So the hypotheses used in this study are:
H_4: The size of the company is able to moderate the ratio of liquidity to company value.

The Influence of Operating Activity Ratio on Company Value with Company Size as a Moderation Variable

A company has a goal to achieve, one of which is by using the activity ratio, which is to measure the company's fixed asset turnover in one period to generate high sales. The activity ratio used in the measurement of total asset effectiveness is the Total Assets Turnover (TATO) to generate sales in the company owned. The total turnover of assets requires effectiveness in the measurement of all assets used in order to generate a company's profit so as to generate profits in sales (Sudarno et al., 2022: 87). Stable profit growth indicates good financial performance, which can ultimately increase investor confidence and positively impact the company's value. Companies with large sizes have a strong foundation and tend to be able to survive external problems such as uncertain economic conditions. The total asset turnover ratio can affect profit growth with the size of the company as the connecting variable (Efendi et al., 2022: 1551). Previous research that has been conducted by Stuart & Stuart (2024) conducted research with the results that the size of the company is able to strengthen the ratio of activities to the value of the company. So the hypotheses used in this study are:
H5: The size of the company is able to moderate the ratio of operating activities to the value of the company

The Influence of Capital Structure on Company Value with Company Size as a Moderation Variable

The capital structure is a balance between the use of capital itself and debt. Generally, large-scale companies have an easier time obtaining funding through debt, while smaller companies tend to rely on internal models. Along with the company's growth and development, the trust of creditors has increased, so that the company has wider access to debt-based financing. This condition can attract investors, which ultimately drives up stock prices and increases the value of the company.

The capital structure is the proportion of financing between debt and capital itself. The Debt to Equity Ratio (DER) is used to measure how much a company uses loan funds in financing its assets. An optimal DER can increase the value of a company because it provides a favorable leverage effect. However, too high a DER increases financial risk and can lower investor confidence (Brigham & Houston, 2014). The influence of capital structure on the value of the company can also be influenced by the size of the company. Large companies tend to have a good reputation and are easier to obtain loans with low interest rates, so the use of debt becomes more efficient. Conversely, small companies may face higher interest rates or greater risk of default, so an aggressive capital structure actually lowers the value of the company (Titman et al., 2018). Previous research that has been conducted by Marjanah & Hariani (2023) conducted research with the results that the size of the company is able

to strengthen the capital structure to the company's value. This is in line with research conducted by Princess (2021) . So the hypotheses used in this study are:
H6: The size of the company is able to moderate the capital structure to the value of the company.

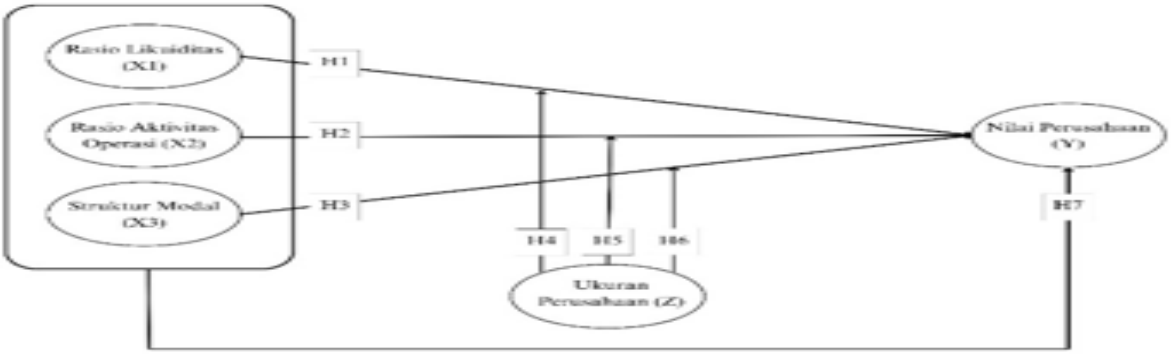
The Influence of Liquidity Ratio, Operating Activity Ratio, and Capital Structure on Company Value

Simultaneous refers to events or actions that take place simultaneously without waiting for each other (Sentana, 2006). In a statistical context, simultaneous influence means the combined impact of all independent variables on the bound variable, which is measured through the F test.

The condition of acceptance or rejection of the hypothesis, i.e. if the significant value is > 0.05, then the hypothesis is accepted (the regression coefficient is not significant). This means that simultaneously independent variables do not have a significant influence on dependent variables. If the significant value < 0.05, the hypothesis is rejected (significant regression coefficient), which means that simultaneously the independent variable affects the dependent variable. Simultaneously, liquidity ratios, activity ratios, and capital structure interact with each other and significantly affect the company's value. Healthy liquidity provides financial security, efficiency of operational activities, increased profitability, and an optimal capital structure to support the growth of the company's value. The combination of these three aspects gives a positive signal to the market, so that it can increase the stock price and the value of the company. Research conducted by Daughter et al. (2023) Explain that liquidity ratios, activity ratios, and capital structure simultaneously or jointly have a significant effect on the company's value.
H7: Liquidity ratio, operating activity ratio, and capital structure simultaneously affect the company's value.

Research Conceptual Framework

Figure 1. Research Conceptual Framework



III. RESEARCH METHOD

Operational Definition

The operational definition of a variable describes the specific characteristics of a concept so that it can be measured. This research consists of 5 main variables, namely Liquidity Ratio as measured by Current Ratio (X1), Company Size (X2), and Capital Structure as measured by Debt to Equity Ratio (X3) as an independent variable, Company Value (Y) as a dependent variable, and Dividend Policy (Z) as a moderation variable. In order for this research to be carried out as expected, the variables related to the operational definition of the variables in table 1 are described below:

Table 1. Variable Operational Definition

Variable	Variable Definition	Measurement
Current Ratio (X1)	Measuring the company's ability to pay current debt using its current assets.	$CR = \frac{Current\ Asset}{Current\ Liabilities}$
Total Assets Turnover (X2)	Measuring the effectiveness between sellers and all assets in generating sales.	$TATO = \frac{Sales}{Total\ Assets}$
Debt to Equity Ratio (X3)	Measuring the ability to use debt with the equity owned by the company.	$DER = \frac{Total\ Debt}{Total\ Equity}$
Company Value (Y)	Measure the value of the company by comparing the market value of the company to the replacement value of its assets.	$Tobin's\ Q = \frac{Nilai\ Pasar\ Perusahaan}{Nilai\ Buku}$
Company Size (Z)	Measuring the company's capabilities from the total assets owned as a company size.	$Size = LN \times Total\ Aktiva$

Population & Sample

The population in this study is property and real estate companies listed on the Indonesia Stock Exchange during the period 2020-2024. The sample determination technique in this study uses the purposive sampling technique, which is to determine the sample of data sources with certain considerations (Sugiyono, 2013: 85). The purpose of the purposive sampling technique is to obtain samples that meet the criteria is (1) property and real estate company that is active and a member of the main trading board in mid-2023 and has been established for more than 3 years and goes public; (2) never been suspended or temporarily stopped trading by the Indonesia Stock Exchange throughout the period from 2020 to 2024; and (3) present the financial statements and financial ratios needed in this study for 5 consecutive years, namely December 31, 2020 to December 31, 2024. Based on the sample selection criteria above with the purposive sampling technique, the results of a population of 29 companies with 24 companies meeting the first to third criteria were obtained. The number of samples was 24 sample units multiplied by 5 years of observation, so that the number of samples obtained was 120 data.

Analysis Method

The data analysis technique in this study is data panel. According to Basuki & Prawoto, (2016:275), panel data is a combination of time series data and cross section. Cross section data is data collected at one time against many individuals. Meanwhile, time series data is data collected from time to time on an individual. The selection of panel data is because in this study it uses time series data and cross section data. The use of time series data in this study is in a 5-year time period, from 2019-2023. The use of cross-section data in this study is from financial companies in the banking subsector listed on the Indonesia Stock Exchange (IDX), with a total sample of 36 companies. According to Basuki & Prawoto, (2016:281), the regression equation of panel data in this study is as follows.

$$Y_{it} = \alpha + \beta_1 X_{1_{it}} + \beta_1 X_{1_{it}} + \beta_2 X_{2_{it}} + \beta_3 X_{3_{it}} + \varepsilon_{it} \ldots\ldots\ldots\ldots\ldots\ldots (a)$$

Where

Yit = Financial Performance Variables
α = Constant (intercept)
β = The regression coefficient of each independent variable
X1 = Credit Risk Variable
X2 = Liquidity Risk Variable
X3 = Market Risk Variables
ε = Error term
i = company data
t = time period data

Moderated Regression Analysis (MRA)

Because the study uses the moderation variable, the regression equation of the panel data for the moderation variable is to use the equation *Moderated Regression Analysis* (MRA). According to Ghozali, (2018:229), *Moderated Regression Analysis* (MRA) is an analytical approach that maintains the igrity of the sample and provides a basis for controlling the influence of moderator variables. The following is a regression equation model that will be tested using a moderator effect in the form of a moderation variable, namely.

$$Y_{it} = \alpha + \beta_1 X_{1_{it}} + \beta_2 X_{2_{it}} + \beta_3 X_{3_{it}} + \beta_4 X_{4_{it}} * Z + \beta_5 X_{5_{it}} * Z + \beta_6 X_{6_{it}} * Z + \varepsilon_{it} \ldots\ldots\ldots\ldots\ldots\ldots..$$

Where

Yit : Company Value
α :Constant
β1-β3 : The regression coefficient of each independent variable
X1 : Liquidity Ratio
X2 : Activity Ratio
X3 : Capital Structure
X4*Z : The interaction between the Liquidity Ratio variable and Company Size
X5*Z : The interaction between the variables of Activity Ratio and Company Size
X6*Z : Interaction between Capital Structure and Company Size variables
Z : Company Size (Moderation variable)

IV. ANALYSIS AND DISCUSSION

Descriptive Statistics

Descriptive analysis was conducted to provide an overview of the characteristics of the research data. The results of this analysis include the minimum, maximum, mean, and standard deviations of each variable. The following are the results of descriptive statistical testing as seen in Table 2 below.

Table 2. Descriptive Statistical Test Results

Variable	Obs	Min	Max	Mean	Std. Dev
Current assets (X1)	120	0.045	24.887	3.895	4.433
Total assets (X2)	120	0.002	0.810	0.153	0.119
Debt to equity ratio (X3)	120	0.030	4.308	0.802	0.805
Company size (Z)	120	18.70	24.71	22.57	1.49
Company value (Y)	120	0.080	0.835	0.412	0.203

Source : Processed by STATA 17, Year 2025.

According to Table 2, descriptive statistical results are presented for all research variables which include liquidity ratio (Current Ratio/X1), ratio of operational activities (Total Assets Turnover/X2), capital structure (Debt to Equity Ratio/X3), company size (Firm Size/Z), and company value (Tobin's Q/Y). These statistics reflect an overview of the distribution of data from 24 property and real estate companies listed on the Indonesia Stock Exchange during the period 2020 to 2024 (as many as 120 observations). The Current Ratio (X1) variable has a minimum value of 0.045 and a maximum of 24.887, with an average of 3.895 and a standard deviation of 4.433. A high maximum value indicates a company with a very large liquidity capacity, while a very low minimum value indicates a company with difficulty meeting its short-term obligations. The high standard deviation indicates that there is considerable variation between companies in terms of liquidity management. The Total Assets Turnover (X2) variable, which is a proxy for the ratio of operational activities, has an average value of 0.153, with a minimum value of 0.002 and a maximum of 0.810. The relatively low standard deviation of 0.119 indicates that most companies are in a similar range of operational efficiency, although there are some companies with higher asset utilization performance. For the Debt to Equity Ratio (X3) variable representing the capital structure, a minimum value of 0.030 was obtained, a maximum value of 4.308, with an average of 0.802 and a standard deviation of 0.805. This average ratio shows that in general companies use equity financing more dominantly than debt. However, the presence of high maximum values indicates that some companies rely on a very aggressive debt-based capital structure, which is also reflected in the large variation in data. The Company Size variable (Z), which is proxied by the natural logarithm of total assets, shows a minimum value of 18.70 and a maximum of 24.71, with an average of 22.57 and a standard deviation of 1.49. This average shows that most companies are on a medium to large enterprise scale, with fairly moderate variations in the size of the assets owned. Meanwhile, the dependent variable of Company Value (Y) measured by Tobin's Q had a minimum value of 0.080, a maximum value of 0.835, an average of 0.412, and a standard deviation of 0.203. Average values below 1 indicate that during the study period, the majority of property and real estate companies were rated by the market to be below book value, or have not fully reflected the potential for long-term value creation.

Inferential Statistics

For inferential statistics in proving the applied hypothesis, the data processing in this study uses the STATA 17 application. This research data is included in the panel data category, which is a combination of cross section data, which is a research object consisting of 24 Property and Real Estate companies, and a time series, which is the research period during the period 2020 to 2024. The following is the processed data, which is as follows:

1. Estimation Model Selection

The first step is to determine the most appropriate estimation model for the panel data. The goal is for the panel's data structure (which consists of time and individual dimensions) to be handled correctly. There are three methods that can be used for panel data, namely Common Effect (CE), Fixed Effect (FE) and Random Effect (RE) regression models. To determine the best estimation model in this study, the following tests were carried out. Data processing in this study uses the STATA 17 application. The following is an analysis of the panel data test after processing with STATA 17, which is as follows:

1. Estimation Model Selection

There are three methods that can be used for panel data in the study, namely Common Effect (CE), Fixed Effect (FE) and Random Effect (RE) regression models. To determine the best estimation model in this study, the following tests were carried out.

a. Chow Test

The following are the results of the chow test in determining the most appropriate fixed effect or common effect model to use as shown in Table 3 below.

Table 3. Chow Test Results

F test that all u_i=0: F(23, 93) = 10.86	Prob > F = 0.0000

Source : Processed by STATA 17, Year 2025.

According to Table 3 above, the results of the Chow Test were carried out to determine the most appropriate panel data regression model between the Common Effect Model (CEM) and the Fixed Effect Model (FEM).

b. Hausman Test

The following are the results of the thirst test in choosing whether the fixed effect or random effect model is most appropriate to use as shown in Table 4 below.

Table 4. Hausman Test Results

chi2(3) = (b-B)'[(V_b-V_B)^(-1)](b-B) = 33.02 Prob > chi2 = 0.0000

Source : Processed by STATA 17, Year 2025.

As shown in Table 4 above, the results of the Hausman Test, which are used to determine the best estimation model between the Fixed Effect Model (FEM) and the Random Effect Model (REM) in the regression of the panel data. This test aims to test whether the difference in the estimated coefficient between the two models is systematic and statistically significant. The zero (H_0) hypothesis in the Hausman Test states that the Random Effect Model is more appropriately used because the assumption that individual effects do not correlate with independent variables is met. Conversely, if the null hypothesis is rejected, then the Fixed Effect Model is considered more appropriate because the individual effect (unit effect) has a correlation with an independent variable, so the Random Effect will result in an inconsistent estimate. From the test results, a chi-squared value (χ^2) was obtained of 33.02 with a probability (Prob > chi2) of 0.0000. Since the probability value is much smaller than the significance level of 5% ($\alpha = 0.05$), the null hypothesis is rejected. Thus, the results of Hausman's test show that the Fixed Effect Model is more appropriate to be used in this study than the Random Effect Model.

2. Classic Assumption Test

The following are the results of the classical assumption test without the moderation variable used in the fixed effect estimation model, which is as follows.

a. Multicollinearity Test

The following is presented a table of multicollinearity test results based on VIF (Variance Inflation Factor) as follows:

Table 5. Multicollinearity Test Results of Panel Data Regression

Variable	VIVID	1/VIF
X1	1,21	0,826038
X2	1.79	0,557935
X3	1.56	0.640237
BRIGHT RED	1.52	

Source : Processed by STATA 17, Year 2025.

As per Table 5, it shows that all independent variables (X1, X2, and X3) have a Variance Inflation Factor (VIF) value that is below 10.00, which is 1.21 for X1 (Current Ratio), 1.79 for X2 (Total Assets Turnover), and 1.56 for X3 (Debt to Equity Ratio), with an average VIF value of 1.52, respectively. These results show that there is no indication of multicollinearity between independent variables in the panel data regression model used. In other words, the linear relationships between independent variables are relatively low and do not interfere with the stability of the model's estimation. Therefore, all independent variables can be used simultaneously in the model without the risk of bias or distortion caused by the high correlation between the predictors. This supports the validity of the constructed regression model, and strengthens the reliability of the hypothesis test results at the next stage of regression analysis.

b. Heteroscedasticity Test

The heteroscedasticity test was carried out to test whether there were symptoms of heteroscedasticity in this research model. If there is a symptom of heteroscedasticity, it indicates that there is inconsistency in the model variation and causes the error to be inconsistent. The following are the results of the robust heteroscedasticity test as shown in Figure 2 below.

Figure 2. Heteroscedasticity Test Results of Panel Data Regression with Fixed Effect and Robust

```
Fixed-effects (within) regression               Number of obs      =       120
Group variable: code                            Number of groups   =        24

R-squared:                                      Obs per group:
     Within  = 0.4970                                         min =         5
     Between = 0.8705                                         avg =       5.0
     Overall = 0.8178                                         max =         5

                                                F(3,23)            =      8.89
corr(u_i, Xb) = 0.6998                          Prob > F           =    0.0004

                                    (Std. err. adjusted for 24 clusters in code)
------------------------------------------------------------------------------
             |               Robust
           Y |  Coefficient  std. err.      t    P>|t|     [95% conf. interval]
-------------+----------------------------------------------------------------
          X1 |   -.0068758   .0031577    -2.18   0.040    -.0134079   -.0003436
          X2 |   -.0775464   .0890595    -0.87   0.393      -.26178    .1066871
          X3 |    .1147118   .0260639     4.40   0.000     .0607945    .1686291
       _cons |    .3588376   .0307018    11.69   0.000     .2953261    .4223491
-------------+----------------------------------------------------------------
     sigma_u |   .10850478
     sigma_e |   .04647739
         rho |   .84496659   (fraction of variance due to u_i)
------------------------------------------------------------------------------
```

Source : Processed by STATA 17, Year 2025.

As shown in Figure 2, it can be seen that the panel data regression model has been run using the Fixed Effect Model (FEM) approach and has been corrected for the possibility of heteroscedasticity by applying robust standard errors, which are clustered by group (company code). This correction is made because heteroscedasticity, if left untreated, can cause the estimation of regression coefficients to be inefficient, although it remains unbiased. The use of a robust standard error on heteroscedasticity provides a more reliable parameter estimation under conditions where residual variance is not constant. Thus, the statistical significance value (p-value) generated in this model is more valid for use in hypothesis testing. Based on the regression results, the coefficient and significance of each variable were obtained, namely X1 (Current Ratio) had a significant negative effect on the company's value, with a coefficient of -0.0068758 and a value of p = 0.040 (< 0.05), X2 (Total Assets Turnover) had no significant effect, with a value of p = 0.393 (> 0.05), X3 (Debt to Equity Ratio) had a significant positive effect on the company's value, with a coefficient of 0.1147 and p = 0.000 (< 0.01). The overall R-squared value of 0.8178 indicates that the model can explain about 81.78% of the variation in firm values (Tobin's Q) observed during the study period. While the rho value = 0.8449 indicates that about 84.49% of the variance in the data is due to differences between individuals (firms), which further confirms the suitability of using the Fixed Effect model. By using a robust standard error, the results of this model have accommodated the potential heteroscedasticity problem, so that the resulting coefficients can be trusted and used as a basis for drawing conclusions.

3. Regression Data Panel

The panel data regression model is used because the data used is a combination of time series and cross section data. Initial testing was conducted to determine the best model between the Pooled Least Square (PLS), Fixed Effect Model (FEM), and Random Effect Model (REM). The following are the results of the panel data regression test using the fixed effect (FE) estimation model as shown in Figure 3 below.

Figure 3. Results of Panel Data Regression Test with Fixed Effect (FE)

```
Fixed-effects (within) regression               Number of obs      =       145
Group variable: code_num                        Number of groups   =        29

R-squared:                                      Obs per group:
     Within  = 0.1468                                         min =         5
     Between = 0.7473                                         avg =       5.0
     Overall = 0.0600                                         max =         5

                                                F(3,113)           =      6.48
corr(u_i, Xb) = -0.7464                         Prob > F           =    0.0004

------------------------------------------------------------------------------
           Y |  Coefficient   Std. err.      t    P>|t|     [95% conf. interval]
-------------+----------------------------------------------------------------
          X1 |   -.0064548   .0786248    -0.08   0.935    -.1622247    .1493152
          X2 |     .018513    .038301     0.48   0.630    -.0573681    .0943942
          X3 |   -1.148589   .2616292    -4.39   0.000    -1.666924   -.6302544
       _cons |    .0288184   .0335032     0.86   0.392    -.0375574    .0951941
-------------+----------------------------------------------------------------
     sigma_u |   .07514051
     sigma_e |   .06147778
         rho |   .59901627   (fraction of variance due to u_i)
------------------------------------------------------------------------------
F test that all u_i=0:  F(28, 113) = 3.12                     Prob > F = 0.0000
```

Source : Processed by STATA 17, Year 2025.

According to Figure 3 above, the results of the panel data regression equation were obtained without the presence of moderation variables, namely.

$$Y_{it} = \alpha + \beta_1 X_{1_{it}} + \beta_2 X_{2_{it}} + \beta_3 X_{3_{it}} + \varepsilon_{it} \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (i)$$

$$= -0.3588376 - 0.0068758 X_{1_{it}} - 0.07754624_{it} + 0.1147118 X_{3_{it}} + \varepsilon$$

According to Figure 3 and the equation, it shows that the liquidity variable (X1) has a negative and significant effect on the company's value (p-value = 0.001). This negative coefficient shows that an increase in the liquidity ratio tends to reduce the value of the company. This can be interpreted that property companies that hold excess current assets (e.g. unproductive cash) have the potential to lose investment opportunities that are able to increase the value of the company. The operating activity variable (X2) measured through Total Assets Turnover showed a negative but not significant influence on the company's value (p-value = 0.130). This means that the efficiency of asset use in generating revenue has not significantly contributed to the increase in the company's market value during the observation period. And, the capital structure variable (X3) has a positive and significant influence on the company's value (p-value = 0.000). These findings support the trade-off theory, where the proportionate use of debt can increase a company's value through positive leverage, as long as it does not cross the reasonable financial risk limit.

4. Coefficient of Determination

The determination coefficient (R2) test was carried out to find out how much the independent variable interprets and influences independent variables.

Table 6. Determination Coefficient Test Results with Fixed Effect

R-squared
Within = 0.4970
Between = 0.8705
Overall = 0.8178

Source : Processed by STATA 17, Year 2025.

As per Table 6 it can be explained that the overall R-squared value of 0.8178 indicates that about 81.78% of the variation in the company's value can be explained by the three independent variables in the model. While the Prob value > F = 0.0000 indicates that the overall regression model is significant. The rho coefficient of 0.8449 indicates that most of the variation in the data comes from differences in characteristics between firms (individual effects), so the choice of the Fixed Effect model is indeed appropriate, as reinforced by the previous Chow and Hausman tests. Thus, it can be concluded that in this regression model without moderation variables, capital structure has a strong influence on the value of the company, while liquidity shows a negative relationship, and operational efficiency has not shown a statistically significant influence.

5. Moderated Regression Analysis (MRA)

In studies with moderation variables, the Moderated Regression Analysis (MRA) approach was used to test whether the moderation variable (firm size) strengthened or weakened the influence of independent variables on dependent variables. The following are the results of the Moderated Regression Analysis (MRA) test in the regression panel data as seen in Figure 4 below.

Figure 4. Moderated Regression Analysis Test Results in Panel Data Regression with Fixed Effect

```
                                        F(6,90)           =     18.04
corr(u_i, Xb) = 0.5377                  Prob > F          =    0.0000
```

Y	Coefficient	Std. err.	t	P>|t|	[95% conf.	interval]
X1_c	-.0080097	.0029097	-2.75	0.007	-.0137904	-.0022289
X2_c	-.0467308	.0503019	-0.93	0.355	-.1466644	.0532027
X3_c	.1222138	.0139861	8.74	0.000	.094428	.1499995
X1Z_c	.0005008	.0012429	0.40	0.688	-.0019684	.0029699
X2Z_c	.0924901	.0328313	2.82	0.006	.027265	.1577151
X3Z_c	.0221652	.013301	1.67	0.099	-.0042597	.04859
_cons	.3996696	.0071567	55.85	0.000	.3854515	.4138877
sigma_u	.10868149					
sigma_e	.04488963					
rho	.85426223	(fraction of variance due to u_i)				

```
F test that all u_i=0: F(23, 90) = 10.82                     Prob > F = 0.0000
```

Source : Processed by STATA 17, Year 2025.

According to Figure 4 above, the results of regression equations with moderation variables are obtained, namely.

$$Y_{it} = \alpha + \beta_1 X_{1_{it}} + \beta_2 X_{2_{it}} + \beta_3 X_{3_{it}} + \beta_4 X_{4_{it}} * Z + \beta_5 X_{5_{it}} * Z + \beta_6 X_{6_{it}} * Z + \varepsilon_{it}.$$

$$= 0{,}3996696 - 0{,}0080097X_{1_{it}} - 0{,}0467308X_{2_{it}} + 0{,}1222138X_{3_{it}} + 0{,}0005008X_{4_{it}} + 0{,}0924901X_{5_{it}} + 0.0221652X_{6_{it}}$$

According to this equation, X1 (Current Ratio) still shows a negative and significant influence on the company's value (Tobin's Q), with a coefficient of 0.0080 and a p value = 0.007. This suggests that a high liquidity ratio remains likely to lower the value of the company, consistent with a no-moderation model. For X2 (Total Assets Turnover) it has a negative but insignificant coefficient (p = 0.355), which means that there is insufficient evidence that operational efficiency has a direct effect on the company's value, either with or without moderation. For X3 (Debt to Equity Ratio) it remains positive and significant to the value of the company (coefficient 0.1222, p = 0.000), reinforcing the evidence that capital structure has an important role in increasing the value of property and real estate companies. Then, for the X1×Z Interaction (Liquidity × Company Size) was not significant (p = 0.688), so the company size did not moderate the influence of liquidity on the company's value. Furthermore, X2×Z Interaction (Operating Activity × Company Size) showed a positive and significant influence (p = 0.006). This means that the size of the company is able to amplify the influence of operational activities on the value of the company, although the direct influence of X2 itself is not significant. Meanwhile, the X3×Z interaction (Capital Structure × Company Size) has a positive and significant coefficient (p = 0.099), which indicates that the size of the company tends to strengthen the influence of the capital structure on the value of the company, although not at the full significance level of 5%.

An rho value of 0.8543 indicates that about 85% of the variance in the data is due to differences between firms (individual effects). This again corroborates that the use of the Fixed Effect model in the regression of the data panel is the right approach to capture the heterogeneity of the characteristics of each company in the property and real estate sectors. Overall, these results show that by including the interaction of company size as a moderation variable, there is an increase in the explanation of variations in company value, especially through strengthening the influence of operating activity variables and capital structure.

To find out the type of moderation that occurs, a classification reference from Ghozali (2018:222) is used, which distinguishes four types of moderation based on the significance of the coefficient of direct influence (B2) and interaction (B3). From the results of the regression of the panel data, it was shown that the B2 coefficient (operating activity to the company's value) was not significant (p = 0.355) while the B3 coefficient (interaction of operating activity × company size) was significant (p = 0.006)

Based on this, the type of moderation that occurs in the company size variable on the relationship between operating activities and company value is included in the category of pure moderation, namely when the independent variable does not have a significant effect directly on the dependent variable, but becomes significant when moderated by the moderation variable. Thus, the size of the company acts as a pure moderator that strengthens or changes the influence of operating activities on the company's value, even though the direct influence of operating activities on the company's value is not significant. These findings indicate that new operational effectiveness has an impact on increasing the company's value if the company has a large scale, so that larger companies tend to be better able to convert asset efficiency into higher market value. In addition, because the interaction model can cause problems or high multicollinearity impacts, it is necessary to test again after the moderation variable, as seen in Table 7 below.

Table 7. Multicolerity Test Results After the Moderation Variable

Variable	VIVID	1/VIF
X1 c	1.92	0.520482
X2 c	1.14	0.877865
X3 c	1.37	0.728923
X1Z c	1.75	0.571226
X2Z c	1.23	0.810797
X3Z c	1.47	0.681015
BRIGHT RED	1.48	

Source : Processed by STATA 17, Year 2025.

As per Table 7, it shows that all independent variables have a Variance Inflation Factor (VIF) value that is below 10.00. It can be concluded that there are no symptoms of multicollinearity after the interaction of the moderation variable.

V. Conclusion and Recommendation

Conclusion

1. The liquidity ratio (which is proxied through the current ratio) has a negative and significant effect on the value of the company. This indicates that companies with very high levels of liquidity tend to experience a

decline in the value of the company. This condition can be caused by the placement of liquid funds in the form of cash or cash equivalents that are not optimally invested, thus implicating low economic returns that can increase the value of the company.

2. The ratio of operating activities (proxied by total asset turnover) has a negative but not significant effect on the company's value. These findings show that operational efficiency in managing total assets has not directly increased the market value of companies in the property and real estate sectors. This may be due to the long-term project cycle and high market uncertainty in the industry.
3. The capital structure (which is proxied through the debt to equity ratio) has a positive and significant effect on the value of the company. This suggests that companies that use debt-based financing in moderation tend to have a higher market value. Investors appreciate an efficient and optimal capital structure in creating healthy financial leverage.
4. Company size does not significantly moderate the relationship between the liquidity ratio and the value of the company. Thus, the size of a company's assets does not have a strong impact on how liquidity impacts the company's value in the context of this industry.
5. Company size acts as a moderation variable that strengthens the relationship between the ratio of operating activities (total asset turnover) and company value. This suggests that large-scale companies are better able to convert asset efficiency into significant increases in market value, likely due to support from infrastructure, reputation, and access to broader resources.
6. The size of the company also has a positive but not significant effect on moderating the relationship between the capital structure and the value of the company. Although there is a strengthening trend, the influence is not statistically strong enough to be declared significant.
7. Simultaneously, the liquidity ratio, operating activity ratio, and capital structure have a significant effect on the company's value. This confirms that these three are fundamental aspects in determining the market perception of the value of a company in the property and real estate industry.

Recommendation

1. For company management, it is recommended to be more selective in managing liquidity so that there is no excess of unproductive funds. Optimizing asset management and financing structures is also an important key in increasing the company's value.
2. For investors, it is necessary to consider financial indicators as a whole, including activity ratios and capital structure, as well as pay attention to the scale of the company as a factor supporting performance efficiency.
3. For the next researcher, it is recommended to add the dimensions of other moderation variables, such as institutional ownership, audit quality, or managerial leadership to enrich the analysis model and explain the company's value variables more comprehensively.
4. Expand industry coverage or conduct cross-sector comparisons, in order to get a broader picture of how financial risk factors affect a company's value in different macro and microeconomic contexts.

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