

## **The Determinants Of Corporate Value In The Indonesia Sharia Stock Index (ISSI)**

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### **Abstract**

*In the current era of business competition is getting tighter, strategies to get customer loyalty need to be increased. Because with such an effort to increase the value of the company. This paper aims to examine the effect of profitability (ROA), Liquidity (CR) and debt policy (DAR) on the value of the company in the Indonesian Sharia Stock Index (ISSI). This research is an study explanative with a duration of four years from 2012-2015, in the ISSI index there are 100 samples taken by purposive sampling technique. Data analysis using panel data analysis techniques with Eviews 8 software applications. The results of the study show that simultaneously profitability, liquidity, and debt policy affect the value of the company.*

### **Keywords:**

*Liquidity, Profitability, Debt  
Policy, Corporate Value, ISSI*



## 1. Introduction

The capital market as an intermediary institution connects parties who need funds with those who are over-funded (*investors*). This role supports the economic stability of a country (Arifin, 2007). In addition, the capital market can encourage efficient allocation of funds. The existence of a capital market, *investors* can choose an alternative investment that provides the *return*, most optimal either investment in conventional stocks or Islamic stocks on the IDX.

Many considerations must be made in investing, namely by analyzing the company's performance through financial statement analysis and knowing the liquidity of leading stocks that are expected to provide a high rate of return. There are several variables that can be taken into consideration before investing in the capital market. Among them, company value. The value of the company is the price that can be paid by prospective buyers if the company is sold. The higher the value of the company, the greater the prosperity received by the owner of the company (Kismono, 2011, p. 83).

One of the values of this company can be seen from the *Price Book Value* (PBV). *Price Book Value* is a comparison of stock prices with book value per share. A high PBV will reflect a high level of prosperity for shareholders, where the shareholders' prosperity is the main objective of a company (Arfan, 2012, p. 20).

Variables that can influence company value are liquidity, profitability and debt policy. In a study conducted by Nurhayati (2013) Liquidity has a negative influence on stock *returns*. According to Ayu (2013) if the company has a high profit, then investors will judge that the company's future prospects are good and will make the company's value increase. While debt policy can also be linked to the value of the company. With the existence of debt, the higher the proportion of debt, the higher the share price of the company (Sartono, 2010, p. 30).

In addition, Answering the high public demand for sharia-based investment products, the Indonesia Stock Exchange (IDX) in collaboration with the Indonesian Clearing and Guarantee Corporation (KPEI), the Indonesian Central Securities Depository (KSEI) has launched Fatwa No. 80 concerning Sharia Stock Trading Mechanism and Indonesian Sharia Stock Index (ISSI). With the hope that people will no longer hesitate to invest in the capital market.

Secretary General of the Sharia Economic Community (MES) Friderica Widayari Dewi considered that the Islamic stock market in Indonesia showed encouraging growth. Sharia stock market share is more dominant than non-sharia at the end of 2015. It can be seen from the number of shares on the Indonesia Stock Exchange that fall into the category of sharia shares as many as 318 securities or 61 percent of the total shares. The event was held the Launch of the Indonesian Sharia Stock Index (ISSI) or the *Indonesia Sharia Stock Index* (ISSI) which is intended to be a reference for investors in investing in Islamic stocks. With the launch of this index, it helps eliminate the misunderstanding of the people who consider that Islamic stocks only consist of 30 shares included in the *Jakarta Islamic Index* (JII) (Okezone finance, 2015, Chap 1).

## 2. Theoretical

### Profit Information

Information is a component of a company's financial statements that aims to assess management performance, as well as to help estimate the earnings ability of representatives in the long term, forecast profits, assess risks in investing or credit, predict future cash flows and have great influence for users in making a decision. As stated in the *Statement of Financial Accounting Concept* (SFAC) number 1 that earnings information is generally a major concern in assessing the company's performance or management accountability and earnings information helps the owner or other

parties to assess the *earning power* company's in the future. Earnings information is an indicator of the company's success in carrying out its activities, so investors often use it as a basis for making investment decisions (Moniaga, 2011, p. 433).

Beaver (1968) found evidence that earnings announcements have earnings information content that affects investor reactions as reflected in changes in the price and volume of shares of the company concerned. Bamber (1986) states that the effect of the information on annual earnings announcements also concludes a positive market reaction, which is reflected the price and volume of shares traded increased after the earnings announcement.

Thus the disclosure of earnings information with high profitability is a manifestation of the success of the company's performance and is a positive signal for investors to invest in the company. Increasing profitability means increasing the share price / corporate value reflected in PBV.

### **Signal Theory**

MM assumes that everyone both investors and managers have the same information about the prospects of a company. This is referred to as symmetric information (*symmetric information*). However, in reality managers often have better information than outside investors. This is referred to as *asymmetric information*, and it has an important influence on optimal capital structure (Brigham and Houston, 2011, p. 84).

Because there is an *asymmetric information*, the manager tries to signal investors. The signal must be something that can be trusted and not easily imitated or expensive to imitate. In the capital structure policy, the signal given is in the form of using a larger portion of debt in the company. Only a truly strong company dares to run the risk of experiencing financial difficulties when the portion of corporate debt is relatively high. So the high debt portion is used by managers as a signal that the company has reliable performance. Investors will judge companies that have a higher portion of their debt at prices that are more expensive than companies that have a low portion of their debt (Arifin, 2007. P.81).

Signals according to the financial literature are actions or policies that will burden the signaling company of a large cost to be able to make outsiders uninformed to believe in what is conveyed. The signal becomes credible if other companies that do not have the performance that the signaling company has are difficult to imitate the signal. A good company can provide signals in the form of a high debt portion on its capital structure. Companies that do not perform well will not dare to use large amounts of debt because if it is done then the probability of bankruptcy will be high (Arifin, 2007, p. 98).

In theory, the *signaling* assumption is that there is *asymmetric information* between managers and shareholders. This model appears based on the idea that company managers whose financial prospects are really good cannot deliver reliable information to investors at no cost, because the delivery of information from good companies can be replicated by companies whose prospects are not good. Investors know that companies that are not good will be encouraged to deliver information as conveyed by companies with good prospects, so investors will be distrustful of announcements about the company's prospects, as a result the company will have the same prospects in the eyes of investors, nothing better than the others (Arifin, 2007, p. 121)

### **Investments in a Sharia Perspective**

Investment is a commitment to a number of funds or other resources at this time, with the aim of obtaining a number of future benefits (Tandelilin, 2001, p. 3). In Islamic economics, investment is influenced by the increase in expected profits and the level of zakat on unproductive funds (Diana, 2008, p. 12). Investment can be done in various ways, one of which is investment in the

capital market in the form of shares. Shares are securities that represent equity participation in a company. While in sharia principles, equity participation is carried out on companies that do not violate sharia principles, such as gambling, usury, producing prohibited goods such as beer, and others.

According to the National Sharia Board (DSN), shares are proof of ownership of a company that meets the criteria of sharia stock and does not include shares that have special rights. The basic principles of Islamic stocks are as follows:

1. Characteristically *musyarakah* if offered on a limited basis.
2. is *Mudharabah* if it is offered to the public.
3. There should be no difference in the type of stock, because the risk must be borne by all parties.
4. Principles of profit and loss profit sharing
5. Unable to be disbursed unless liquidity

Selling and buying of shares in Islam is basically a form of *mudaraba syirkah*, between entrepreneurs and owners of capital are both endeavors which will later be shared. *Mudharabah*, is a funding technique whereby capital owners provide funds to be used by the deficit unit in productive activities on the basis of *loss profit sharing*. *Mudharabah* comes from the word *al-Darb*, which means literally to travel or walk.

Criteria for shares included in the Shariah index based on the fatwa of the National Sharia Board (DSN) No. 20 are issuers whose business activities do not conflict with sharia such as:

1. Gambling businesses and games that are classified as gambling or prohibited trading.
2. The business of conventional financial institutions (RIBA) includes banking and conventional insurance.
3. Businesses that produce, distribute and or provide goods or services that are moral and harmful.

### **Company Value**

Based on the theory according to Iryanti (2014), the value of a company is the selling value of a company as a business that is operating. There is an excess selling value above the value of liquidity is the value of the management organization that runs the company. the market because the value of the company can provide maximum shareholder prosperity if the company's stock prices increase. The higher the stock price, the higher the prosperity of the shareholders. To achieve this, investors generally hand over their managers to professionals such as managers or commissioners. in achieving the goal of maximizing the value of the company through the decisions taken.

Brealey RA (2009), argues that the value of a company can be interpreted as the company's selling value or value added to shareholders. According to Brigham (2011) maximizing value means considering the effect of time on the value of money, the funds received this year are worth more than the funds received years to come and means also considering various risks to income streams. The value of the company in this study was confirmed through *Price To book value* (PBV).

The value of the company reflects the size of the stock market reaction to the company. The greater the value of the company reflects the public has valued stock prices above the book value (Cristine, 2013, p. 194). For this reason, the majority of owners have an interest in the value of the company which can be done by pressing management to maintain the company's reputation which has an impact on the rising costs incurred by the company to provide information to the public.

### **Profitability**

Profitability is the ability of a company to make a profit in relation to total assets and own capital. There are three ratios that are often used, namely: *Profit Margin*, *Return On Assets* (ROA), and *Return on Equity* (ROE). This study uses the ratio *Return On Assets* (ROA) to calculate the level of profitability of the company against the use of assets or assets used. The higher the ROA value, reflects the use of company assets that are optimal in generating profits. (Ima, 2014, p. 30).

The concept of profitability in financial theory is often used as a fundamental performance indicator of a company representing management performance. Generally profitability has a causal relationship to the value of the company. This causality relationship shows that if the performance of a company management is measured using the dimensions of profitability in good conditions, it will have a positive impact on the decisions of investors in the capital market to invest their capital in the form of equity participation. This will have an impact on the value of a company. This means that the higher the level of corporate profitability, the greater the value of the company (Sartono, 2010, p.121).

According to Hermuningsih (2013) there are several factors that influence the profitability of a company including: Type of company, Age of company, Scale of company, Price of Production.

### **Liquidity**

Liquidity is one of the main considerations carried out by a company to distribute dividends. assessments can be carried out for several periods so that the development of company liquidity over time (Bambang, 2013, p. 45) is seen. The liquidity ratio can be measured using *Current Ratio* which will certainly affect the value of a company. Information about the company's cash flow is useful for users of the report as a basis for assessing the company's ability to generate cash and assess the company's need to use cash flow. Thus, increasing corporate liquidity will provide a positive signal and increase investors' confidence in the dividend payment policy expected by investors (Nurhayati, 2013, p. 45).

### **Debt Policy Debt**

policy is the use of a source of funds that has a fixed burden (debt) to finance investment in the hope that debt will provide additional profits greater than the fixed costs, so that it will increase the profits available to shareholders (Sartono, 2010, p. 263). Debt policy is proxied by the Leverage Ratio which is measured using a *debt to equity ratio* (DAR). Research conducted by Mardiyati (2010) states that debt has a positive effect on firm value. While this research is in line with the research conducted by Ika (2013) that debt policy has a significant effect on firm value. This positive direction means that the higher the debt policy of a company, the higher the value of the company.

### **ISSI (Indonesian Sharia Stock Index)**

ISSI is a stock index that reflects all Islamic stocks listed on the IDX. The ISSI Constituency is an entire Sharia stock listed on the IDX and registered in the List of Sharia Securities (DES). The ISSI constituency is reviewed every 6 months (May and November) and published at the beginning of the following month. The ISSI constituency is also updated if there is a new Sharia stock listed or written off from DES. The calculation method of the ISSI index uses a weighted average of market capitalization. The basic year used in ISSI calculation is the beginning of the issuance of DES, which is December 2007. The ISSI index was launched on May 12, 2011 (Okezone *finance*, 2015, *Chap* 2).

## **4. Literature Review**

As a supporter of this research there are several scientific works of tertaduhu researchers which are related, among others, are Leni's (2014) research, he tested the effect of Capital Structure, Profitability, and Company Size on Corporate Values in the Indonesia Stock Exchange Period 2010-

2012. The results of his research show that the capital structure has a negative and significant effect on the value of the company, profitability has a positive and significant effect on the value of the company and the size of the company does not affect the value of the company.

Setyowati and Nursian (2014) conducted a study on the Influence of Profitability, Dividend Policy, and Corporate Social Responsibility (CSR) on Corporate Values (Empirical Studies on Manufacturing Companies Listing on the Stock Exchange in 2009-2012). The results of his research are Profitability and *Corporate Social Responsibility* have a significant effect on company value and dividend policy does not have a significant effect on the value of the company.

Mardiyati et al (2012) conducted a study on the Effect of Dividend Policy, Debt Policy and Profitability on the Value of Manufacturing Companies listed on the Indonesia Stock Exchange (IDX) for the period 2005-2010. The results of this research are Dividend Policy has no significant effect on firm value, debt policy, Dividend Policy does not have a significant effect on firm value, while profitability, company performance, and investment decisions have a significant positive effect on the value of the Company. Research conducted by Mahendra (2012) found that profitability had a significant effect while other variables such as liquidity and debt policy were not significant to the value of the company. While research according to Febrianti (2013) found that profitability was not significant to the value of the company.

Ika (2013) also conducted research on Profitability Influence, Dividend Policy, Debt Policy, and Managerial Ownership on Corporate Values (Empirical Study on Manufacturing Companies listed on the Indonesia Stock Exchange (BEI) for the period 2009-2011). The results of his research are profitability and dividend policy have a positive and significant effect on firm value, while debt policy and managerial ownership have no significant effect on the value of the company.

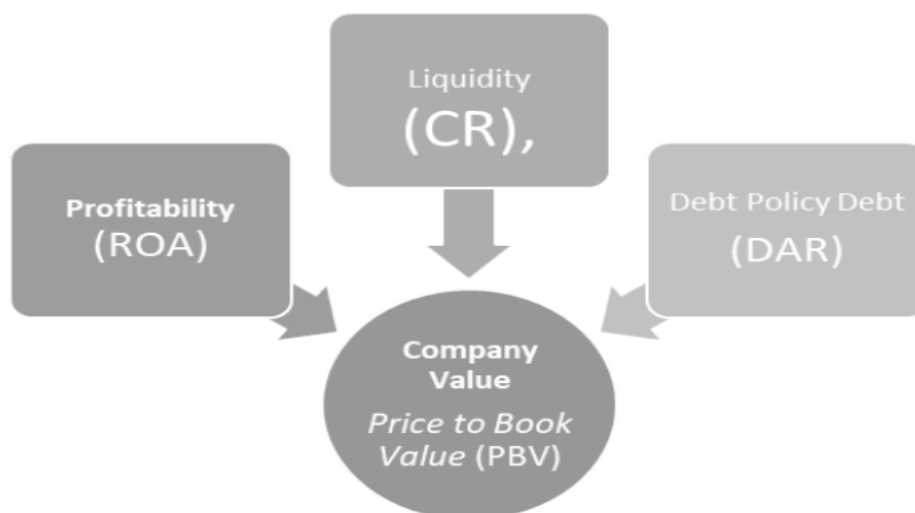
Moniaga (2013) regarding the capital structure, profitability and cost structure of the Corporate Value of the Ceramic, Porcelain and Glass Industry in the 2007-2011 period. The results of his research show that the capital structure, profitability and cost structure simultaneously do not have a linear relationship with firm value.

Ima (2014) conducted a study on the effect of firm size, profitability of corporate social responsibility, institutional ownership, Sales Growth, and Capital Structure on Company Value (Empirical Study on Property companies that entered the Sharia Securities List group 2009-2012 period). The results of his research are the size of the company and the profitability have a significant positive effect on the value of the company. Social responsibility, institutional ownership, sales growth and capital structure have no significant positive effect on the value of the company.

From some previous studies, the difference in this research lies in the variables and the existence of an index comparison. The additional variable is located in the independent variables in the companies included in the ISSI 2012-2015 period.

### **Thinking Framework**

To make it easier to understand this research, the framework of thinking is made as follows:



**Table 1**  
**Research Variable**

Variable	Ratio	Formula
Profitability	Return on Asset (ROA)	$\frac{\text{After - tax profit}}{\text{Total Assets}} \times 100$
Liquidity	Current Ratio (CR)	$\frac{\text{Current Assets}}{\text{Current Debt}} \times 100$
Leverage (Debt Policy)	Debt to Equity Ratio (DAR).	$\frac{\text{Total Debt}}{\text{Total Assets}} \times 100$
Company Value	Price to Book Value (PBV)	$\frac{\text{Market Value}}{\text{Book Value}} \times 100$

## 5. Research Methods

This research includes *explanatory* research, research that aims to obtain information, information about things that have not been known before. The population in this study are companies *Go public* listed on ISSI. The sampling method used *purposive sampling technique*, with the following criteria:

- Companies registered with ISSI for 4 consecutive years in 2012-2015;
- Companies registered at ISSI which have the highest 80 market capitalization;
- Companies that publish their annual financial statements and use their eyes rupiah in the company's financial statements for the period 2012-2015;
- Have complete data about the variables used in the study.

After the screening process is obtained, there are 25 samples in ISSI. Data is taken from the company's *annual report* published on [www.idx.com](http://www.idx.com), the website company's official, and other media.

### Data Analysis Techniques Data

Analysis was processed using a program *evIEWS 8*. The first was descriptive statistical analysis. Then panel data regression analysis with linear regression equation:

$$Y = a + b_1X_{1+} + b_2X_{2+} + b_3X_{3-}$$

Where:

- Y = Company value  
 $X_1$  = Liquidity  
 $X_2$  = Profitability  
 $X_3$  = Policy of debt  
a = constant  
 $b_{11st}$ ,  $b_{22nd}$ ,  $b_{33rd}$  = Partial regression coefficient for the independent variables

To estimate panel data selected several equation models: *Common Effect Model*, *Fixed Effect Model* and *Random Model Effect*. For choosing which model to use in the study, determining the best model is done with three tests (Widarjono, 2012, p. 30): Chow Test (*Chow test*) to choose between *Pooled Least Square* or *Fixed Effect Model*, Hausman Test (*Hausman Test*) to choose between *Fixed Effect Model* or *Random Effect Model*, Test Lagrange Multiplier (*LM*) to select the equation between *common effects / pooled least squared* and *random effects*. LM counts with the formula:

$$LM_{Count} = \frac{nT}{2(T-1)} \left[ \frac{T^2 \sum \bar{e}^2}{\sum e^2} - 1 \right]^2$$

Where:

- N : Number of companies  
T : Number of periods  
 $e^2$  : Average number of squares residuals  
 $e^2$  : Number of squared residuals

Then testing the hypotheses that are carried out are: significance test F (*simultaneous*), coefficient of determination, t test (*partial*) to the group of companies listed on ISSI.

## 6. Results and Discussion

### Descriptive Statistics Descriptive

Statistics are used to explain generally the characteristics of data which include, *mean*, median, minimum, maximum, etc. Here are the results:

**Table. 2**  
**The Results of Data Data Descriptive Statistics on the ISSI Index**

Sample: 1 100

	PBV	CR	ROA	DAR
Mean	5.141760	2.551770	0.216760	0.443200
Median	2.783500	2.103000	0.178000	0.394500
Maximum	58.48100	9.717000	1.258000	3.762000
Minimum	0.054000	0.148000	0.002000	0.136000
Std. Dev.	9.493999	1.656811	0.227238	0.370376
Observations	100	100	100	100

Source: Secondary data processed Eviews 8

Following are the data from 25 companies listed on ISSI in vulnerable times from 2012-2015, totaling 100 data. From this table PBV can be seen as a maximum of 58,481 owned by PT Unilever Tbk in 2015 and a minimum value of 0.054 owned by PT. Aneka Tambang Tbk in 2012. Liquidity (CR) has a maximum value of 9,717 belonging to PT.Media NusantaraTbk in 2014 and a minimum value of 0.14800 owned by PT Astra Internasional Tbk in 2012. Profitability (ROA) has a minimum value of 0.002 owned by PT XL AxiataTbk and the maximum value of 1.258 owned by PT Unilever Tbk in 2013. While the minimum debt policy (DAR) of 0.136 conducted by PT Indocement Tunggal Prakarsa Tbk in 2015 means the lowest value of debt used by the company during this study period is approximately 0.136 while the maximum value 3,762 was carried out by PT Indofood Cbf Sukses Makmur Tbk in 2013.

## Selection of Regression Models in ISSI Index

### Significance of *Common Effect* or *Fixed Effect*

Chow Test or *likelihood Ratio-test* to determine which is better between common effect models and fixed effects. The basis of decision making is done by looking at the value of Chi-square Cross-section probability. If the probability value is less than 5% alpha, it means that a good panel model to use is a fixed effect model, and vice versa if the probability is more than  $\alpha > 5\%$ , then the common effect model is used.

**Table 3**  
**Chow Test**

Effects Test	Statistic	d.f.	Prob.
Cross-section F	0.640000	(24,72)	0.8895
Cross-section Chi-square	19.337128	24	0.7338

Source:Secondary data processed Eviews 8

Chow test results obtained probability values *Chi-square Cross-section* of  $0.7338 > 0.05$ , with this the best panel model used is *Common effect*.

### Significance Test of *Fixed Effect* or *Random Effect*

The test *Hausman* is the basis for making decisions in looking at the probability value of *random cross-sections*. If the probability is less than *alpha* 5% or the results of the test are *Hausman* significant, then the *Fixed effect* model is used. Conversely, if the results of the test are *Hausman* more than 5% alpha, or the results of the Hausman test are not significant then the *random effect model* is used.

**Table 4**  
**Hausman Test**

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	15.359991	3	0.0015

Source:Secondary data processed Eviews 8

The results of the Hausman test show the probability value of a *random cross-section* of 0.0015, smaller than alpha 5%. Therefore, a model that is better used is *Fixed Effect*.

### LM Test (*Multiple Langrange*)

Calculates the LM value calculated as follows:

$$LM_{\text{Count}} = \frac{25 \times 4}{2(4-1)} \left[ \frac{4^2(0.0000050)}{77.68832} - 1 \right]^2$$

$$LM_{\text{Count}} = 16.6667$$

The LM value is calculated then compared with the value of the *Chi Squared* table with the degree of freedom (*degree of freedom*) as much as the number of independent (free) and alpha variables or a significance level of 5%. If the LM value counts > *Chi Squared* table, the model chosen is the Random Effect, and vice versa if the LM count < *Chi Squared value is the table*, the chosen model is Common Effect. The *Chi Squared value of the table* on the degrees of freedom 3 and alpha 5% is 7.8143 and the calculated LM value is 16.6667. Because LM count (16,6667) is greater than *Chi Squared* table (7,8143), the model chosen is *Random Effect model*.

### Regression Analysis of ISSI Index Panel Data

Multiple Linear Regression

**Table 5**  
**Regression Test Random Effect Model**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2014.138	0.255477	7883.837	0.0000
CR?	0.141196	0.036670	3.850511	0.0002
ROA?	-0.002951	0.067669	-0.043616	0.9653
DAR?	-6.255821	1.522257	-4.109570	0.0001

Source: Secondary data processed, 2017

Regression results for the data panel using *evIEWS 8* obtained the following equation:

$$PBV = 2014.138 + 0.141196 - 0.002951 - 6.255821$$

### Hypothesis

F Test (test equation)

**Table 6**  
**Simultaneous Test Results**

Weighted Statistics	
F-statistic	6.295346
Prob(F-statistic)	0.000605

Source: Secondary data processed, 2017

F statistic value of 6,295346.  $F_{\text{table}}$  is determined by k-1 as the numerator and nk as the denominator, so that the Results  $F_{\text{table}}$  at 5% alpha of 5.2953. Thus  $F_{\text{count}} > F_{\text{table}}$ , so it can be concluded that all independent variables together (simultaneously) affect the dependent variable.

## Coefficient of Determination

**Table 7**  
**Value Adjusted R<sup>2</sup>**

Weighted Statistics	
Adjusted R-squared	0.138276

*Source: Secondary data processed, 2017*

Adjusted R<sup>2</sup> of 0.138276, which means 13.82% of the variation in the value of the company can be described independent variables. While the remaining 86.18% is explained by other variables.

## T test (partial test)

Based on table 4.9 above, the results of data processing for t test can be interpreted as follows:

- The value of the firm's value constant shows the number of 2014.138 which states that if the independent variable is considered a constant, then the value of the company is equal to 2014.138.
- The Profitability variable has a probability value of 0.9653 with a coefficient of -0.00951. This value shows a number greater than 0.05 ( $0.9653 > 0.05$ ) which means that the Profitability variable does not significantly influence the value of the company (PBV) at 5% alpha. So that it can be concluded that the profitability variable does not significantly influence the value of the company.
- The Liquidity variable has a probability value of 0.0002 with a coefficient of 0.41196. This value shows a number smaller than 0.05 ( $0.0002 < 0.05$ ) which means that the Liquidity variable has a significant effect on the value of the company (PBV) at 5% alpha. So it can be concluded that the Liquidity variable has a significant effect on the value of the company.
- The debt policy variable has a probability value of 0.0001 with a coefficient of 6.255821. This value shows a number greater than 0.05 ( $0.0001 < 0.05$ ) which means that the debt policy variable has a significant effect on the value of the company (PBV) at 5% alpha. So it can be concluded that the debt policy variable has a significant effect on the value of the company.

## 7. Interpretation Analysis and Results

### Effect of Profitability on Company Values on the ISSI Index

The regression test results show that Profitability has no significant effect on firm value. This is evident from the results of the t test Profitability has a significance level of 0.9653 with a coefficient of 0.41196. This research is not in line with research conducted by Yuniasih and Wirakusuma, Ulupui (2013), and Susila (2013) who found that ROA has a positive and significant effect on firm value. However, this research is in line with the research of Nur Sasongko and Nila Wulandari (2015) which states that ROA has no significant effect on firm value. No influence on Profitability (ROA) on company value can be caused by the use of inefficient company assets. aruh Profitabilitas

### Effect of Liquidity on firm value on ISSI Index

Regression test results show that Liquidity has a significant effect on firm value. This is evident from the results of the debt policy t test has a significance level of 0.0002 with a coefficient of 0.41196. Thus  $0.0002 < 0.05$ . According to information content theory, financial statements are said to be information content if the publication of the financial statements creates a market

reaction. According to Husnan, this market reaction will be indicated by a change in the price of the securities concerned (Mahendra, Arum and Suarjaya, 2012, p. 10).

## The Influence of Debt Policy Against

### Corporate Value in the ISSI Index

The regression test results show that debt policy has a significant effect on firm value. This is evident from the results of the debt policy t test having a significance level of 0.0001 with a coefficient of 6.255821. This is in line with the Signaling theory, that a company that has good performance means having good prospects in the future will give a signal with high debt to its capital structure, here the average DAR is quite high, reaching 0.443 and vice versa if the company lacks good prospects then the company will not dare to have a high portion of debt.

## 8. Conclusions and Suggestions

This study examines the effect of Profitability (ROA), Liquidity (CR) and debt policy (DAR) on the value of the company in the Indonesian Sharia Stock Index (ISSI). From the results of data analysis, it can be concluded that:

- The effect of Profitability (ROA) on company value (PBV) on companies listed in the Indonesian Sharia Stock Index (ISSI) in 2012-2015 shows negative but insignificant results.
- The effect of Liquidity (CR) on Company Value (PBV) on companies listed in the Indonesian Sharia Stock Index (ISSI) in 2012-2015 showed significant positive results.
- The effect of debt policy (DAR) on corporate value (PBV) in companies listed on the Indonesian Sharia Stock Index (ISSI) in 2012-2015 showed significant positive results.

Limitations in this study are using secondary data from 2012-2015 on observations of 100 samples on the ISSI index. Then the use of profitability (ROA), liquidity (CR), and debt policy variables, with the possibility that there are still many other variables that affect the company's value such as *investment opportunity set*, institutional ownership, dividend policy, etc.

The results of this study are expected to be able to provide information and trigger subsequent research that has similarities with regard to the limitations that exist in this study. Among them are broader variable selection, company sector selection, stock index and selection of sample criteria so that it can provide variation in research.

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## The Effect of Interest, Religious Stimuli, and the Consumer's Trust on the Digital Al Qur'an Purchase

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### Abstract

*PT. Tigaraksa Satria branch of Semarang, is a company which runs the digital Al Qur'an product as one of its type of business's engagement. One of the digital Al Qur'an to be sold is Mushaf Grand Maqomat. PT. Tigaraksa Satria also produces Mushaf for Woman and Mushaf Maqomat for Kids. Among these three Mushaf, Mushaf Grand Maqomat-has the less selling. This study is expected to measure and analyzing the effect of interest, religious stimuli, and consumers' trust on the decision to purchase digital Al Qur'an. It is suspected that variable of religious stimuli has the most dominant effect to the consumers. The population in this study are the current consumers of digital Al Qur'an on PT Tigaraksa Satria. The result of this study indicates that variable of interest has significant effect on the purchasing's decision. This is resulted on p-value (sig) that is 0.001 under 0.05, the variable of stimuli has significant effect on purchasing decision indicated by 0.755 as the p-value (sig) above 0.05. Whilst, the most dominant variable that influences buyers in purchasing Al Qur'an is the religious stimuli, accordingly to the researcher's hypothesis that states religious stimuli is the most dominant variable.*

### *Keywords:*

*interest; religious stimuli; trust; purchasing decision; digital Al Qur'an*

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