

UNDERGRADUATE THESIS
THE INFLUENCE OF PROFITABILITY AND CAPITAL STRUCTURE
ON FIRM VALUE IN THE REAL ESTATE DEVELOPMENT &
MANAGEMENT SUB-INDUSTRY LISTED ON THE
INDONESIA STOCK EXCHANGE (2021-2023)



Submitted to Complete the Requirements for Obtaining a Bachelor`s Degree
in Management

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2025

LEGALIZATION SHEET

**THE INFLUENCE OF PROFITABILITY AND CAPITAL STRUCTURE
ON FIRM VALUE IN THE REAL ESTATE DEVELOPMENT &
MANAGEMENT SUB-INDUSTRY LISTED ON THE
INDONESIA STOCK EXCHANGE (2021-2023)**

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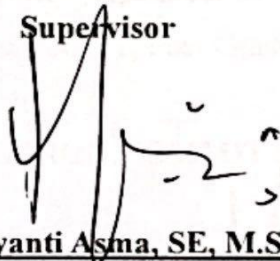


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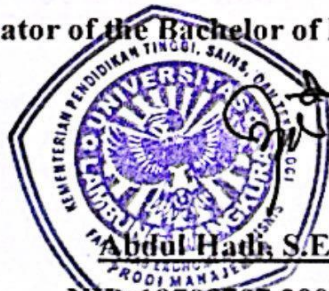


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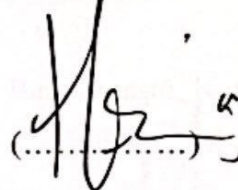
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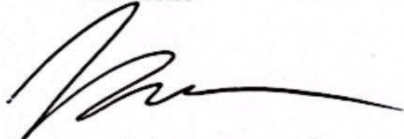
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Hereby declares that the thesis revisions have been made based on the suggestions and has been approved by the Examination Committee.

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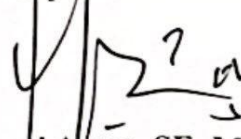
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STATEMENT OF ORIGINALITY

With full sincerity, I, the undersigned, hereby acknowledge that this thesis is the result of my efforts and thinking. All references and assistance I have received from various sources have been honestly and properly cited. This thesis has never been published or submitted for any other purpose to any party. If it is later proven that this statement is untrue, I am fully prepared to accept any legal consequences resulting from the inaccuracy of this declaration.

Banjarmasin, November 26rd 2025

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FOREWORD

First and foremost, all praise and gratitude are due to Allah SWT for His boundless blessings and guidance, which have enabled me to complete this thesis. The thesis, titled "The Effect of Return on Assets, Debt to Equity Ratio, and Debt to Asset Ratio on Firm Value (PBV) in the Real Estate Development & Management Sub-Industry Listed on the Indonesia Stock Exchange for the 2021–2023 Period," is submitted to fulfill the requirements for obtaining a Bachelor's Degree in Management from the Faculty of Economics and Business, Lambung Mangkurat University, Banjarmasin.

I acknowledge that the process of completing this thesis was not without its challenges and obstacles. However, thanks to the support, guidance, and direction from various parties, I was able to successfully complete this thesis. Many individuals have contributed, whether through their ideas, time, or resources, all of which have been immensely helpful in overcoming the challenges encountered during the writing process. With the utmost humility, I express my deepest gratitude and appreciation to:

1. Mr. Prof. Dr. H. Ahmad Yunani, SE., M.Si, Dean of the Faculty of Economics and Business, Lambung Mangkurat University.
2. Mr. Abdul Hadi, SE., M.Si, Coordinator of the Management Program, Faculty of Economics and Business, Lambung Mangkurat University.
3. Mrs. Rusdayanti Asma, SE, M.Si, my thesis advisor, who has generously dedicated her time, energy, and thought to guide me in completing this thesis to the best of my ability.
4. Mr. Dr. Asrid Juniar, SE, MM, Thesis Examiner I, for his valuable suggestions and feedback, which greatly improved this thesis.
5. Mrs. Redawati, SE, M.Fin., Thesis Examiner II, for her constructive advice and insights that helped improve this thesis.
6. All the faculty members of the Faculty of Economics and Business, Lambung Mangkurat University, for their teachings, guidance, and knowledge shared with me during my studies.

7. To my late parents, my older sibling, and my extended family, whose prayers, support, and motivation have been the driving force behind the completion of this thesis.
8. To all my friends, including Stanislaus Lim, Rendy, Arya, James, Aufa, Aliqa, Icha, Akbar, my co-thesis students, and the extended family of the WN 2077 Community, along with many others whom I cannot name individually, for their constant support and encouragement during my academic journey.

I realize that this thesis is still far from perfect, given the limitations of my knowledge and abilities. Therefore, with great humility, I welcome suggestions and constructive criticism from various parties for future improvements. In closing, I hope that this academic work can provide value and serve as a useful reference for future readers.

Banjarmasin, September 21 2025

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ABSTRACT

Muhammad Adam Farid (2025), The Effect of Return on Assets, Debt to Equity Ratio, and Debt to Asset Ratio on Firm Value (Ln_PBV) in the Real Estate Development & Management Sub-Industry Listed on the Indonesia Stock Exchange for the 2021–2023 Period. Advisor: Rusdayanti Asma.

This study aims to examine the effect of Return on Assets (ROA), Debt to Equity Ratio (DER), and Debt to Asset Ratio (DAR) on firm value, as measured by the natural logarithm of Price to Book Value (Ln_PBV). The research focuses on companies in the Real Estate Development & Management sub-industry listed on the Indonesia Stock Exchange during the 2021–2023 period. A quantitative approach was used, employing multiple linear regression to analyze the relationship between variables. The sample was selected using purposive sampling and consisted of 28 companies with 84 annual observations.

The results indicate that DER has a positive and significant effect on firm value, while DAR has a negative and significant effect. Meanwhile, ROA does not have a significant effect on firm value. The findings suggest that the optimal management of capital structure, particularly the balance between debt and equity, plays a crucial role in enhancing firm value in the real estate industry. Conversely, excessive reliance on debt, as reflected in a high DAR, can reduce firm value due to increased financial risk.

Keywords: *ROA, DER, DAR, Ln_PBV, firm value, capital structure, real estate.*

ABSTRAK

Muhammad Adam Farid (2025), Pengaruh Return on Assets, Debt to Equity Ratio, dan Debt to Asset Ratio terhadap Nilai Perusahaan (Ln_PBV) pada Sub-Industri Real Estate Development & Management di Bursa Efek Indonesia Periode 2021–2023. Dosen Pembimbing: Rusdayanti Asma.

Penelitian ini mengkaji pengaruh Return on Assets (ROA), Debt to Equity Ratio (DER), dan Debt to Asset Ratio (DAR) terhadap nilai perusahaan yang diukur dengan logaritma natural Price to Book Value (Ln_PBV). Sampel penelitian terdiri dari 28 perusahaan sub-industri real estate development & management yang terdaftar di BEI selama 2021–2023, dengan total 84 observasi tahunan. Analisis menggunakan regresi linier berganda.

Hasil penelitian menunjukkan DER berpengaruh positif signifikan, sedangkan DAR berpengaruh negatif signifikan terhadap nilai perusahaan. ROA tidak berpengaruh signifikan. Temuan ini menegaskan pentingnya pengelolaan struktur modal yang seimbang untuk meningkatkan nilai perusahaan, serta perlunya membatasi penggunaan utang yang berlebihan agar risiko keuangan tetap terjaga.

Kata Kunci: ROA, DER, DAR, Ln_PBV, nilai perusahaan, struktur modal, real estate.

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