Factor Analysis of Internal and External Company and Its Effect on Company Value in Listed Mining Sector in Stock Exchange Indonesia

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Abstract

Changes in stock prices that occurred in the capital markets continue to fluctuate periodically fast will be strongly influenced by many factors both internal company factors and external factors (Blume, 1982). One method of stock analysis by Ross, Westerfield and Jordan (2010) is a fundamental analysis, the analysis is usually done through a top down approach. This analysis begins with economic analysis, industry analysis and ends with fundamental analysis. Economic analysis explains that stock prices tend to increase when the economy strengthens and moves down when the economy weakens. Some of the indicators commonly used to indicate that macroeconomic conditions are often referred to as external factors the company, which will affect the stock price changes of which is the rate of inflation (RI), the interest rate (IR), and the exchange rate (ER). Next analysis is Industrial sector analysis meant that stock prices will be influenced by the characteristics of industrial, economic and operational variables that affect the performance of the industry itself. While fundamental analysis stock prices are influenced by the performance of the company itself where the company's prospects trend positive if the expected price of its stock market will also show the same thing and offered a higher price and vice versa. Indicators that can be used to demonstrate the performance of issuers that are often referred to as internal factors can be measured by the ratio analysis, among which is the return on investment (ROI), dividend per share (DPS) and earnings per share (EPS). Thus the change in these factors will influence the fluctuations of stock returns (price to book value / PBV) as a measure of corporate value. From research conducted by using SPSS software version 13.0 is obtained the result that the internal factors that include ROI, DPS and EPS are linked to the PBV is equal to 0.411 with the magnitude of the coefficient of determination of 10.53%. While external factors consisting of RI, IR, and ER has a low relationship with PBV that is equal to 0.393 with the magnitude of the coefficient of determination of 8.75%. The result shows that internal factors have a higher influence on PBV as a measure of corporate value compared to external factors. The results obtained by testing the hypothesis that the partial result of internal factors and external individual has no significant relationship to the PBV. However, when these two factors grouped together obtained a significant association of PBV. The study provides recommendations to investors and potential investors that the internal factors of the higher

influence on firm value as measured by PBV compared with external factors, which means that any internal performance (especially) finance company must be a focus concern for both companies and investors in determining the investment activities.

***Keyword**: Economic analysis, inflation, interest rate, return on investment, dividend per share, earnings per share.*

1. INTRODUCTION

The role of capital markets as a tool collector of public funds by mid-2007 is relatively large compared to the funds placed on deposit products in the banking sector. The interest rate that banks continued to decline to make public investors shift funds into the capital markets that can provide the yield (return) is higher. Potential as a source of long-term financing for the company is promising, and not excessive if the capital market as alternative financing accelerated national development. According to data from the Indonesia Stock Exchange (BEI) and Indonesian Central Bank/Bank Indonesia (BI), public funds are invested in the stock market has reached Rp 2539 trillion. This figure has been rising rapidly of capitalization in 2006 to only Rp 1,249 trillion. Rp 2,539 trillion figure is a combination of stock market capitalization of USD 1,982 billion, corporate bonds amounting to Rp 79,065 trillion and 105 million U.S. dollars, as well as the capitalization of Rp 477 trillion of government bonds. Comparison of market capitalization to Gross Domestic Product (GDP) also increased from 37% in 2006 to 53% of GDP in 2007. Comparison is only calculated from the equity market capitalization. Indonesia GDP by 2006 at current prices reached USD 3,338.2 billion. GDP continues to grow, in the second quarter of 2007 reached Rp 962.5 trillion. (Reuters: Business and Finance, 2007). Thus, the future role of capital markets will be growing as a source of financing for the Private, State Owned / Regional (state / D) and the Government.

However, development of capital markets is still contentious nature of many parties, both the optimistic and cautious tone. This mainly relates to the behavior of investors and the characteristics of the investment itself. Basically almost all investments contain elements of uncertainty or risk. Because investors face a risky investment opportunities, the investment choices are not just relying on the expected rate of return but also need to consider the magnitude of the risk of loss. If the investor expects to earn high rates of return, the investor must be willing to bear the higher the risk (high risk high return). One of the features characteristic of the securities is the ease in forming a portfolio of investments in various investment alternatives.

Changes in stock prices that occurred in the capital markets continue to fluctuate from time to time in such a quick period of time will be strongly influenced by many factors both internal company factors and external factors (Blume, 1982).

Brigham (2001:90) says that an increasing proportion of debt as measured by the DER (Debt to Equity Ratio) will be followed by the increase in stock returns, because investors assume that the increasing proportion of debt in corporate funding is a positive signal that there has been a positive outlook for the company. Similarly, John J. Wild K.R. Subramanyam and Robert F. Hasley (2005:62) described that:

"Profitability is the ability of the firm to generate earnings. Analysis of profit is of vital concern to stakeholders as the Derive revenue, in the form of dividends, when paid from profit. Further, Increased profit can cause a rise in market price leading to capital gain. "

The last half of 2008 there has been a global financial crisis that originated from the financial crisis in the United States. The impact of the crisis has undermined the economic pillars of the world including Indonesia, which is marked by the fall of Composite Stock Price Index (CSPI) and the rising dollar against the rupiah exchange rate. As a result, an investor who invests in stocks has suffered huge losses but rather an investor who invests in U.S. dollar will have the advantage due to the strengthening of the rupiah currency. This condition will certainly make an investor would be more careful in making an investment in anticipation of future losses. Looking at the above phenomenon shows that there are several factors both internal and external factors that can affect any company's stock market price changes, which in turn will also affect the value of the company. Thus, for investors in investing activities, internal factors (fundamentals) of which is the level of profitability, dividend policy, and the ratio of the market as well as external factors include inflation, exchange rates and interest rates will be variable -variables underlying the decision to invest in the stock market. For this reason it is in the current study, researchers interested in studying and analyzing "Internal Factors and External Companies and the Effect on Corporate Value in Moving Companies in the Mining Sector Listed on the Indonesia Stock Exchange".

In some previous studies, more emphasis on the influence of the research direction of each independent variable for both internal and external factors are partially on the value of the company and has not done research to see which of the two factors are more dominant influence on the value of the company. For this reason the advantages of this research was conducted.

2. PROBLEM FORMULATION

Formulation of the problem in detail will be presented in some of these questions as the following, namely:

1. How the influence of internal and external factors on the value of a corporate as measured by the Price to Book Value (PBV) in companies

engaged in the mining sector listed on the Stock Exchange either partially or simultaneously.

2. How does the return on investment (ROI), dividend per share (DPS) and earnings per share (EPS) as a measure of internal factors as well as the company's eexchange rate (ER), iinflation rate (FR), and the interest rate (IR) in Indonesia to the corporates as measured by the Price To Book Value (PBV) in companies engaged in the mining sector listed on the Stock Exchange either partially or simultaneously.

LITERATURE REVIEW AND HYPOTHESIS

Return On Investment (ROI)

Profitability is the company's ability to earn income in connection with the sale (net sales), total assets (total assets), and capital (total equities). One of the judgments of investors about the company's performance in the company's ability to generate earnings or profitability. This ratio is usually referred to as "the return on total assets or return on investment" to measure the effectiveness of the use of total resources company (J.Fred Weston and Thomas E. Copeland: 1995)

Suad Husnan: 2005, stating that if profitability increases, then stock prices will also rise. In other words, profitability will affect the value of the company through the company's stock price. In this study the profitability used is return on investment (ROI). ROI is a ratio that indicates the return on investment of capital owners. This ratio indicates to investors the company's performance in managing the investment in the company. The higher this ratio, the higher the demand of investors to buy shares of the company. But conversely, the lower this ratio the more the investor who wants to sell his company stock. Demand and supply will affect the value of the company through the stock price on the stock. This ratio is calculated as operating profit (operating profit) divided by total assets (total assets).

While the formula calculation of the value of ROI growth, namely:

$$\Delta ROI_t = \frac{(ROI_1 - ROI_0)}{ROI_0}$$

Where:

ΔROI_t = Growth Return on Investment (ROI) in the period t

ROI_0 = Return on Investment (ROI) period of the previous

ROI_1 = Return on Investment (ROI) period of the current

Dividend PerShare (DPS)

In the approach Price to Book Value (PBV) as well as other fundamental analysis approach, namely the company's value is determined by the Discounted Cash flow Model, using the Gordon Growth Model (Francis: 1991). Dividend model is assumed to have a constant growth rate, which is usually the company paying the dividends are growing. Growing a company, increasing the dividends paid (Mamduh: 2004).

However, if the dividend growth models assuming a growth rate (g_n) is constant, then the formulation will be obtained as follows:

$$P_0 = \frac{DPS_1}{r - g_n}$$

Where:

P_0 = Share Price (value of equity)

DPS_1 = Dividend in year-1 (expected dividend per share next year)

r = rate of return is hinted (required rate of return on equity)

g_n = dividend growth rate (growth rate in dividends)

By replacing $DPS_1$with (EPS_0) (Payout Ratio) (1 + g_n), then the value of equity can be written as follows:

$$P_0 = \frac{(EPS_0)\ (Payout\ Ratio)\ (1+g_n)}{r - g_n}$$

When a ROI is defined as EPS_0/Book Value, the value of equity becomes:

$$P_0 = \frac{(ROI)\ (BV_0)\ (Payout\ Ratio)\ (1+g_n)}{r - g_n}$$

Then written as PBV growth, then the equation becomes:

$$\frac{P_0}{BV_0} = PBV = \frac{(ROI)\ (Payout\ Ratio)\ (1+g_n)}{r - g_n}$$

Assumptions in the model of dividend growth formula assuming a growth rate (g_n) is constant above, is $r>g_n$. If $r<g_n$, you will get a negative divisor, so the value of the shares to be negative because the value of the shares negative not possible, so the above formula cannot be used if $r <g_n$.

Besides dividends may also be assumed by the model with the dividend growth rate is different (not constant). In this model, the stock as one parameter measurement firm value is assumed to grow rapidly in the early years, then growth slows down with constant forever. Such a scenario could be used to grow new companies and / or new companies going public is growing rapidly in the early years that have high growth rates, then the competence and market saturation makes the company entered the stage of maturity. At this stage of growth begins to slow down (Mamduh: 2004).

Formula to calculate the stock on this condition can be written as follows:

$$P_0 = PV = \sum_{i=1}^{t} DPS_0(1+g_1)^i/(1+r)^i + \sum_{j=t+1}^{\sim} DPS_t(1+g_2)^j(1+r)^j$$

Where:

P_0 / PV = Share Price (value of equity)

DPS_0 = dividend in the next year (expected dividend per share next year)

DPS_t = Dividend in year t (expected dividend per share of t-year)

r = rate of return is hinted (required rate of return on equity)

$g_{1, 2}$ = growth rate of dividends in year 1 and 2 (growth rate in dividends in 1st and

2nd year)

The formula to determine the growth in dividends per share or dividends per share (DPS) is:

$$\Delta DPS_t = \frac{(DPS_1 - DPS_0)}{DPS_0}$$

Where:

ΔDPS_t = Growth in dividend per share (DPS) in period t

DPS_0 = Dividend Per Share (DPS) the previous period

DPS_1 = Dividend Per Share (DPS) current period

EarningPer Share (EPS)

Because securities analysts generally forecasting earnings ratio of the price per share (earnings to price per share / EPS), evaluation of historical records on earnings per share changes from time to time will be very beneficial. Corporate earnings growth rate is expected from time to time focused on growing stock "growth rate".

Growth stocks (growth stocks) show that earnings growth exceeding the industry average growth of a particular year, while some other companies earnings growth is less than the industry average.

Formulation to determine the growth in earnings per share are:

$$\Delta EPS_t = \frac{(EPS_1 - EPS_0)}{EPS_0}$$

Where:

ΔEPS_t = Growth in earnings per share for a period of expected

(Change of earnings per shares 1st year)

EPS_0 = Earnings per share are expected in the previous year

(Earnings per share for previous year)

EPS_1 = Earnings per share are expected in year t

(Earnings per share for year t-)

Exchange Rate (ER)

According to Madura (1995:156 and 177) exchange rate (ER) can be defined as the price of foreign currency expressed in domestic currency. Therefore, the definition of the exchange rate refers to the relative price of which exchange rates should be determined by the relative strength of demand and supply. Furthermore, because the relative prices involving two foreign currencies, the exchange rate should be related to the supply and demand of currencies.
The strengthening of the rupiah against foreign currencies is a positive signal for the economy of inflation.

Exchange rate system can be classified into a system of exchange rates as follows:

1. Fixed exchange rate held constant or allowed to fluctuate within the limits of which are very narrow.

2. Freely floating exchange rate is determined by market forces without intervention.
3. Managed floating exchange rate is not constrained by the limits of explicit, but exposed to government intervention.
4. Pegged the value of a currency pegged to a currency or a unit of measurement, and currency move together (or unit exchange) the currency-exchange against another.

Inflation Rate (FR)

According to Sukirno (2004:15 and 27) inflation is an economic situation characterized by an increase in the prices of common goods prevailing in an economy from one period to another. Inflation rate (FR) is presenting the price rises in any given year compared with the previous year.

Result is worse than inflation; inflation tends to lower the level of prosperity of a majority of the community. Most of the actors of economic activity consist of salaried workers who remain. Inflation is usually faster than the prevailing wages of the workers. Therefore, real wages of workers will decline due to inflation and this situation means that the level of prosperity of a class society in decline.

Interest Rate (IR)

The rate of interest (IR) is a parameter that can be the ROI obtained financier and also a measure of the cost of capital (cost of funds) to be issued by the company to use the funds from investors. Interest rates would have an impact on the present value (present value) of the company's cash flow. Interest rates are too high lead to investment opportunities become attractive to investors. High interest rates mean investors expect a high level of investment results. Government policies affect interest rates relates primarily to the tight money policy and expansionary monetary policy. Tight monetary policy will reduce the amount of money is low and interest rates to rise. Lose money policy is the government's efforts to increase the money supply, then the money supply will increase and interest rates will fall. In addition to important roles of government are held by the central bank (Bank Indonesia) in the control of interest rates. The central bank can control money market interest rates through a policy of the Bank Indonesia Certificate (SBI).

According to Ang (2004:19.11), high inflation causes a decline in corporate profits, thus causing the equity securities become less competitive. Similarly, the weakening rupiah or dollar exchange rate appreciation would negatively impact the equity markets, because it causes the equity markets have become an attraction. If interest rates rise, it will negatively impact the equity markets.

Empirical Study On Effect of Internal Factors Toward FirmValue (Price to Book Value / PBV)

Research on these PBV according to Reilly and Keith (1997) first performed by Preinrich in 1932 who said that the PBV as an indicator of growth which is then reinforced by Kay in 1976 research and research Brief and Lawson 1992. In 1938, Preinrich returned to conduct research and stating that PBV is an interpretation of the standard formulation of the price to book value reconciliation (standard formula reconciling price to book value) in which the opinion was followed by Edwards and Bell in 1961, and also by Peasnell in of 1982. Further, according to Farrell (1997), in 1996 from research results and Graham Cottle defines PBV growth as expected return on equity. Earlier in 1989, Bodie and Mark explain PBV as a margin of safety which is the ratio between price and liquidation value. In addition Penman (1996) stated that of Rosenberg and Lanstein research in 1985, is estimated as an indicator mispriced PBV stocks and in 1994 by Lakonisho and Vishny expressed as value stocks vs. glamour stocks. Chan and Lakonisho subsequent research in 1991 which was confirmed by Fama and Kenneth study in 1992 stating that the PBV explain the significance of stock return, along with estimates interpreted as a proxy for risk or as an indicator of distress. This means that between PBV and there is a strong ROI (positive). Research on multiple PBV performed by Damodaran (1996) in New York Stock Exchange (NYSE) and the Amex companies using financial data from 1987 to 1991 (5 years). Companies with negative book value are not included in this calculation. The study states the factors that influence the PBV as shown below:

a) Return on investment, where an ROI increases, the PBV also will increase.

b) Dividend per share, which when DPS increases, the PBV also will increase.

c) Earnings per share, which if EPS increases, the PBV also will increase.

PBV is strongly influenced by the return on investment (ROI), decrease in PBV lower ROI directly via the above formula, and indirectly by the reduction in dividend per share (DPS), or earnings per share (EPS).

Damodaran expressed symptoms is quite interesting to study, whether it occurs also in the capital market in Indonesia. Of course in this case the characteristics of capital markets in which the different studies carried out by Damodaran capital market in Indonesia.

Empirical Study On Effects of External Factors Toward Corporate Value (PBV)

The results of the Indri Paramithasari (2009) showed that there were no significant positive effect of inflation and exchange rate variables, and no significant negative influence of the variable interest rate of SBI on stock returns of manufacturing firms. This is because the observation period of the study year 2005 - 2007, sampling manufacturing companies have a high enough profit is not representative described the entire sample was selected. While the research conducted by AryoDwiatmojo (2010) gives the result that the inflation rate in a negative significant effect on stock returns, so it is with SBI interest rate to companies incorporated in LQ 45.

Results of research conducted by PrihantiniRatna (2009) showed that the variable rate of inflation, exchange rate and the Debt to Equity Ratio (DER) and a significant negative effect on stock return. While Return On Asset (ROA) and the Current Ratio (CR) has positive and significant impact on Stock Return on real estate and property industry. The results of this study is expected that the variable inflation, exchange rates, Return On Asset (ROA), Debt to Equity Ratio (DER) and the Current Ratio (CR) can be used as guidelines, either by the management companies in enterprise management, as well as by investors in determining investment strategy.

Framework ofThinking

Basedonthe above description, the conceptualframeworkin this research study can beseenas follows:

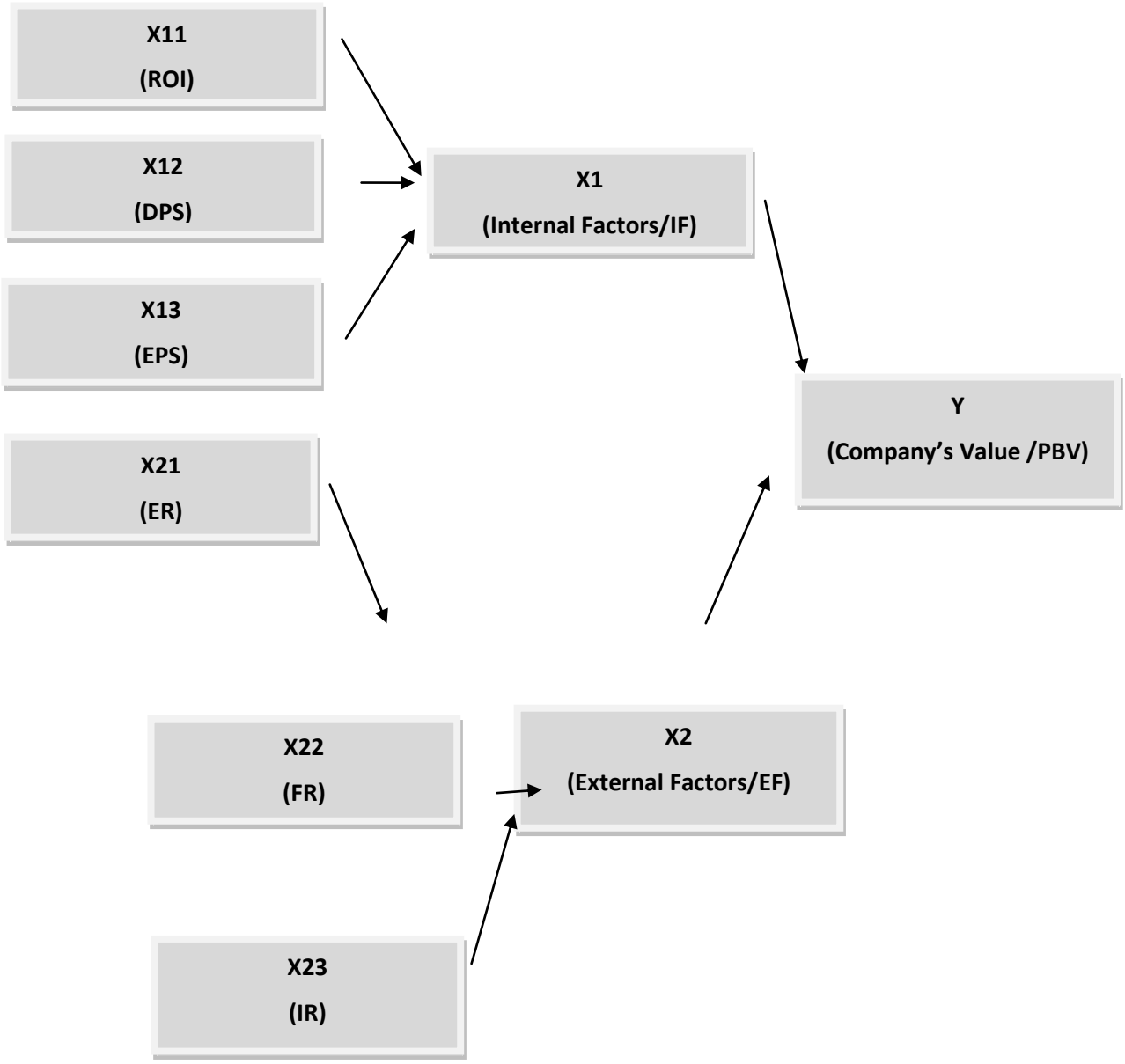

Figure1.Conceptual Framework for Research

The Research Hypothesis

a. Internal factors and external factors either partially or simultaneously will significantly affect the PBV (Y) as a measure of corporate value.

b. Variable ROI (X11), DPS (X12) and EPS (X13) as a measure of internal factors as well as ER (X21), FR (X22) and IR (X23) as a measure of

external factors, both partial and will take effect simultaneously significantly to the PBV (Y) as a measure of corporate value.

POPULATION AND SAMPLE

Population used in this study is a company engaged in the mining sector whose shares are listed on the Indonesia Stock Exchange (BEI). One of the considerations include companies from similar industries in which mining companies in this regard as the homogeneity of the population is the main income earning activity (revenue - producting activities).

Observation period of financial data based on official financial statements of the Indonesia Stock Exchange (BEI) from 2004 to 2010, grouped in the financial statements semester 1 and 2 for each year. To answer the problem formulation as described above is used of course sample of firms that have a complete historical data for the purpose of calculation, processing and analysis of data (purposive sampling).

Here are the names of companies that have met the terms of the sample and the population of existing research in the mining sector (mining) a listing on the Indonesia Stock Exchange (BEI) obtained from the Indonesia Stock Exchange official website http://www.idx.co . id / as of December 31, 2008, as follows in table 1.

All of the mentioned secondary data obtained from the website Jakarta Stock Exchange (BEI) in www.idx.co.id, Data and Information Center website Capital Markets in www.bapepam.go.id BAPEPAM, the Indonesian Capital Market Directory published by PT Indonesia Stock Exchange (BEI) and the center of the data from Bank Indonesia.

Table 1. List Data 8 (Eight) Mining Company of the sampled

No	Kode	NamaEmiten	TanggalBerdiri	Tanggal Listing
1	PTBA	PT Tambang Batubara Bukit Asam Tbk	23/12/02	15/12/80
2	INCO	PT International Nickel Indonesia Tbk	25/07/68	16/05/90
3	BUMI	PT Bumi Resources Tbk	26/06/73	30/07/90
4	MEDC	PT Medco Energi International Tbk	09/06/80	12/10/94
5	TINS	PT TimahTbk	01/08/76	19/10/95
6	ANTM	PT Aneka Tambang (Persero) Tbk	05/07/68	27/11/97
7	APEX	PT Apexindo Pratama Duta Tbk	20/06/84	10/07/02
8	PGAS	PT Perusahaan Gas Negara Tbk	13/05/65	15/12/03

5. RESULTS OF RESEARCH

5.1.Multiple Linear Regression Analysis of Effect of Internal Factors Toward PBV

To see the influence of internal factors including return on investment (ROI), dividend per share (DPS), earnings per share (EPS) of corporate value as measured by price to book value/PBV by using multiple regression analysis, the following get away from all the classic assumptions test or BLUE (Best Linear Unbiased Estimator) that includes test normality test, test aautocorrelation, multicollinearity test, test heteroskedastistias and it can be done the next steps.

By using the Pearson Product Moment analysis of known magnitude of the relationship between variables X with variables Y is for 0.411 which showed a link between factors that are internal to the PBV (Y). Now we know the R value of 0.411 and R Square of 0.104 Adjusted, it can be seen the coefficient of determination (CD) that is equal to10.35% which shows the sense that the Internal Factors which includes ROI (X11), DPS (X12), and EPS (X13) simultaneous influence (together) for 10.35% of PBV (Y). While the rest of 89.65% influenced by other factors that are not observed.

By using the SPSS results of the regression coefficients obtained as follows:

Table 2. Regression coefficient values

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Zero-order Correlations
		B	Std. Error	Beta			
1	(Constant)	-0,233	0,201		-1,163	0,252	
	X11	0,666	0,648	0,152	1,027	0,311	0,170
	X12	1,100	0,450	0,785	2,445	0,019	0,250
	X13	0,988	0,528	0,601	1,869	0,069	-0,088

a Dependent Variable: Y

All variables have a positive relationship with firm value (PBV), where the DPS have variable sensitivity the most among other variables. This suggests that the dominant size of PBV is determined by the size of the company's ability to provide dividends to its share holders. By using the Beta coefficient x Zero-order variables in mind that DPS (X12) has a partial influence on PBV is greatest at19.60%. Simultaneous internal factors had no significant associate on of PBVas well as partial, except DPS (X12).

Multiple Linear Regression Analysis of Effect of External Factors Toward PBV

To see the influence of external factors including exchange rate (ER), inflation rate (FR), interest rate (IR) of corporate value as measured by price to book value/PBV by using multiple regression analysis, the following get away from all the classic assumptions test or BLUE (Best Linear Unbiased Estimator) that includes normality

test, test of aautocorrelation, multicollinearity test and test of heteroskedastistiasand it can be done the next steps.

By using the Pearson Product Moment analysis of known magnitude of the relationship between variables X with variables Y is equal to 0.393 which indicates a low relationship between external factors with PBV (Y). Now we know the R value of 0.393 and R Square of 0.087 Adjusted, it can be seen the coefficient of determination (CD) that is equal to 8.75% which shows the sense that the external factors that include ER (X21), FR (X22), and IR (X23) simultaneous influence (together) for 8.75% of PBV (Y). While the rest of 91.25% influenced by other factors that are not observed.

By using the SPSS results of the regression coefficients obtained as follows:

Table 3. Regressioncoefficientvalues

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Zero-order Correlations
		B	Std. Error	Beta			
1	(Constant)	-1,309	0,781		-1,676	0,102	
	X21	0,698	0,584	0,326	1,194	0,240	-0,063
	X22	1,167	26,796	0,011	0,044	0,965	-0,104
	X23	0,918	0,363	0,557	2,528	0,016	0,316

a Dependent Variable: Y

All variables have a positive relationship with corporate value (PBV), where the FR have variable sensitivity the most among other variables. By using the Beta coefficient x Zero-order variables in mind that IR (X23) has a partial influence on PBV is greatest at 17.60%. Either simultaneously or partially external factors had no significant association of PBV.

Multiple Linear Regression Analysis of Internal and External Factors(X) to PBV (Y)

The magnitude of the effect of Internal and External Factors (X) to PBV(Y), use the Product Moment correlation analysis and hypothesis testing using test-f (simultaneously) and the t-test (partially). By using the SPSS program application assistance is obtained relationships all the variables X with variables Y is for 0.574 which showed a relationship is between the Internal and External Factors (X) with PBV (Y). Now we know the R value of 0.574 and R Square of 0.214 Adjusted, it can be seen the coefficient of determination (CD) that is equal to 21.40% which shows the sense that the Internal and External Factors which includes ROI (X11), DPS (X12), EPS (X13), Exchange Rate (X21), Inflation Rate (X22) and the Interest Rate (X23) to give the effect of simultaneous (co-each) of 21.40% of PBV (Y). While the rest of 78.60% influenced by other factors that are not observed.

By using the SPSS results of the regression coefficients obtained as follows:

Table 4. Regression Coefficient Values

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Zero-order Correlations
		B	Std. Error	Beta			
1	(Constant)	-1,550	0,750		-2,067	0,046	
	X12	0,957	0,620	0,219	1,543	0,132	0,170
	X13	1,074	0,433	0,766	2,479	0,018	0,250
	X14	1,074	0,510	0,653	2,105	0,043	-0,088
	X21	0,872	0,552	0,407	1,578	0,123	-0,063
	X22	5,298	25,436	0,051	0,208	0,836	-0,104
	X23	0,985	0,347	0,597	2,840	0,007	0,316

a Dependent Variable: Y

All variables X have a positive relationship for PBV, and the inflation rate (FR) is a variable that has the highest level sensitivity PBV compared to other variables.

By using the Beta coefficient x Zero-order variables in mind that DPS (X12) has a partial influence on PBV is greatest at19.14%. All variables X simultaneously internal and external factors that include ROI (X11), DPS (X12), EPS (X13), Exchange Rate (X21), Inflation Rate (X22) and the Interest Rate (X23) has a significant relationship toward the corporate as measured by PBV. But only partially DPS and EPS variables are significantly linked to the PBV, whereas other variables were not significant.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

Internal factors that include ROI (X11), DPS (X12), and EPS (X13) have a medium relationship that was to PBV(Y) with a correlation coefficient of 0.411. To obtain the degree of influence of internal factors on PBV is 10.35%. DPS is a variable factor which is partially the greatest influence on PBV. The entire variable internal factors have a positive relationship to the PBV, which DPS variable is the variable most sensitive influence on PBV. Simultaneously throughout the internal factors had no significant effect on PBV, and so is partially because the only variable hat DPS has a significant relationship

External factors that include Exchange Rate/ER (X21), Inflation Rate/FR (X22), and Interest Rate/IR (X23) has a low relationship that was to PBV(Y) with a correlation coefficient of 0.393. To obtain the degree of influence of external factors on PBV is

8.75%. IR is a variable factor which is partially the greatest influence on PBV. The entire variable external factors have a positive relationship to the PBV, which FR variable is the variable most sensitive influence on PBV. Either partially or simultaneously the external factors had no significant association of PBV.

Internal and external factors that includes ROI (X11), DPS (X12), EPS (Rp) (X13), Exchange Rate/ER (X21), Inflation Rate/FR (X22), and Interest Rate/IR (X23) has a medium relationship that was to PBV (Y) with a correlation coefficient of 0.574. To obtain the degree of influence of internal and external factors on PBV is 21.40%. DPS is a variable factor which is partially the greatest influence on PBV. The entire variable internal and external factors have a positive relationship to the PBV, which FR variable is the variable most sensitive influence on PBV. Simultaneous internal and external factors have a significant association of PBV was the same with DPS and EPS variables. While the other variables is partially linked to the PBV insignificant

Recommendations

For investors and other potential investors, need intensive and vigilant attention to any changes of information about the company's internal factors such as through the measurement of financial performance because it has an impact factor greater than the external factors related to firm value as measured by PBV.

Similarly to the issuer, the results of this study prove that the internal factor is a measure of corporate performance Management Company, as an important factor that affects the interests of investors in developing its strategy of investing in the stock market.

For subsequent research, given the data limitations of this study because only limited to the mining company listed on the Stock Exchange and on a limited period, it is advisable to subsequent research to try to use other sectors that have the

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