

Capital Structure and Company Value on State-Owned Enterprises

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The optimal capital structure must achieve a balance between risk and return so that it maximizes the company's value and the company's stock price. The company's value may give shareholder's prosperity to a maximum if the company's share price increases. This study aims to analyze the corporate size and corporate governance impact on capital structures as mediation. The study population is 20 State-Owned Enterprises (BUMN) companies listed on the Indonesia Stock Exchange. There are 17 companies that qualify for sample criteria. The analysis technique used is path analysis. The results showed that profitability, firm size and corporate governance have an effect on capital structure. Profitability, firm size and corporate governance have an effect on firm value. Capital structure has an effect on firm value. Capital structure can mediate the effect of profitability, firm size and corporate governance on firm value.

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