THE EFFECT OF PROFITABILITY AND LIQUIDITY ON COMPANY VALUE
(Case Study of Banking Company on IDX 2014-2018)

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ABSTRACT

The development of the business world has grown rapidly, both for large-scale companies and This research illustrates that the distribution of data that is a reference in the research is indicated not to be distributed correctly because, in the recapitulation of the annual financial report, there are several companies that do not present complete financial statement items. This affects the analysis of processed data on a small scale, one of which is to list the company on the Stock Exchange Indonesia. The purpose of this study is to determine the effect of profitability and liquidity on company value (a case study of banking companies on the Indonesia Stock Exchange from 2014 to 2018). This study used a descriptive-quantitative approach. The research sample used was 19 companies that had met the criteria that had been set with the nonprobability sampling method with purposive sampling techniques. The results showed that the profitability variable had no effect on the company value. It can be seen from the value of the coefficient of 0.233 and the t count of 1.202 with a significance of 0.233 > 0.05 (greater than 0.05), while liquidity has no effect on the value of the company, as seen from the efficiency value of -0.131 and the t count of -1.152 with a significance of 0.253 > 0.05 (greater than 0.05).

Keywords: Profitability; Liquidity; Company Value; Banking; IDX

INTRODUCTION

One of the increases in company value is influenced by financial performance, profitability, which is a ratio that measures the company's ability to generate profits. One of the information needed by investors is financial information, financial statements are needed by investors to find out the development of the company. The publication of the company's financial statements is a time awaited by investors to find out the development of the company (Susilowati & Turyanto, 2011) in (Itsnaini & Subardjo, 2017) to find out the financial performance of a company can be seen through the analysis of financial performance ratios, which include Profitability Ratio, Solvency Ratio, Liquidity Ratio. According to (Prasetyorini, 2013) stated that high profitability will give an indication of good company prospects so that it can trigger investors to participate in increasing stock demand.

Furthermore, the increased demand for shares will cause the value of the company to increase. Several studies have examined the effect of profitability on company value, including (Felicia & Arwina Karmudiandri, 2019) and (Puspita, 2011) which found that profitability has a positive and significant effect on company value, on the contrary (Damaianti, 2020) suggests that profitability has no effect on company value. In general, investors consider that high profitability will indicate good company prospects in the future. Research conducted (Mahendra, Sri artini, & Suarjaya, 2012) suggests that liquidity has a positive insignificant effect on company value and research (Hermawan & Maf'ulah,, 2014) suggests that partially the variable of financial performance (return on assets) does not have a significant effect on company value. Liquidity is a ratio that describes a company's ability to meet its short-term...
obligations in a timely manner (Fahmi, 2012). Previous research that (Gimeno-Gilles et al., 2016), suggested that the liquidity ratio affects company value, this is different from the results of research from (Ariana, 2019), which suggests that liquidity does not have a significant effect on company value. Based on the background above, researchers are interested in examining "The Effect of Profitability, Liquidity and Solvency on Company Value in banking companies listed on the Exchange Indonesia Effect from 2014-2018.

**THEORY REVIEW**

**Financial Statements**


**Purpose of Financial Statements**

The objectives of financial statements according to (Kasmir, 2017) are as follows:

1. Provide information about the type and amount of assets (assets) owned by the company at this time
2. Provide information about the type and amount of liabilities and capital that the company currently has
3. Provides information about the type and amount of income earned in a period
4. Provide information about the type and amount of costs incurred by the company in a certain period
5. Provide information about changes that occur in the company's assets, pasiva, and capital
6. Provide information about the performance of company management in a period
7. Provide information about the records to the financial statements Other financial information.

**Types of Financial Statements**

According to PSAK 2019 No. 1 Presentation of financial statements, the types of financial statements include:

- Statement of Financial Position
- Comprehensive Income Statement
- Equity Change Report
- Cash Flow Statement
- Notes to Financial Statements
- Statement of financial position
- at the beginning of the period

**Financial Performance**

Financial performance is a formal effort to evaluate the efficiency and effectiveness of the company in generating profits and certain cash positions. By measuring financial performance, it can be seen the prospect of growth and financial development of the company. The company is said to be successful if the company has achieved a certain performance that has been determined (Herry, 2017) in (Sulkhi, 2020) Purpose of Financial Statements The objectives of financial statements according to (Kasmir, 2017) are as follows: Provide information about the type and amount of assets (assets) owned by the company at this time. Provide information about the type and amount of liabilities and capital that the company currently has. Provides information about the type and amount of income earned in a period. Provide information about the type and amount of costs incurred by the company in a certain period. Provide information about changes that occur in the company's assets, pasiva, and capital. Provide information about the performance of company management in a period. Provide information about the records to the financial statements. Other financial information. Types of Financial Statements According to PSAK 2019 No. 1 Presentation of financial statements, the types of financial statements include: Statement of Financial Position Comprehensive Income Statement Equity Change Report Cash Flow Statement Notes to Financial Statements Statement of financial position at the beginning of the period. Financial Performance Financial performance is a formal effort to evaluate the efficiency and effectiveness of the company in generating profits and certain cash positions. By measuring financial performance, it can be seen the prospect of growth.
and financial development of the company. The company is said to be successful if the company has achieved a certain performance that has been determined (Herry, 2017) in (Sulkhi, 2020)

**Factors affecting Financial Performance**

According to (Mardiana, 2018), financial performance as a variable that is often used as research material, is influenced by several factors, some of which are:

1. Risk
2. Company Size (Firm Size)

Financial Ratio Analysis

Financial ratio analysis can be used as a tool to forecast financial security and business results in the future. Financial ratio analysis can help business people, governments, and other users of financial statements in assessing the financial condition of a company. Ratio analysis is intended to determine the relationship between accounts in financial statements, both in the balance sheet and in the income statement. Financial ratio analysis describes a relationship and comparison between the number of one account with the number of other accounts in the financial statements (Sujarwieni & Wiratna, 2017)

Forms of Financial Ratio Analysis According to J. Fred Weston in the book (Kasmir, 2017). The forms of financial ratios are as follows:

Liquidity According to (Fahmi, 2017) liquidity is the ability of a company to fulfill its short-term obligations in a timely manner. Liquidity can be used to measure a company's ability to meet its short-term obligations, if able then the company is a good company in fulfilling its obligations. Therefore, the items calculated are the balance sheet in the section of lancer assets and current debt.

Here are the goals and benefits of the overall liquidity ratio (Hery, 2015):

1. To measure the company's ability to pay obligations or debts that will soon mature
2. To measure the company's ability to pay short-term liabilities using total current assets
3. To measure the company's ability to pay short-term liabilities using very current assets (without taking into account merchandise inventories and other current assets).
4. To measure the level of availability of company cash in paying short-term debt
5. As a tool for future financial planning, especially related to cash planning and short-term debt
6. To see the condition and position of the company's liquidity over time by comparing it over several periods

Types of Liquidity Ratios according to (Cashmere, 2017):

a. Current Ratio Is a ratio to measure the company's ability to pay short-term obligations or debts that are immediately due when they are collected as a whole (Kasmir, 2017)

b. Quick Ratio Is a ratio that shows the company's ability to meet or pay obligations or current debt (short-term debt) with current assets without calculating inventory value, (Kasmir, 2017)

c. Cash Ratio Is a tool used to measure how much cash is available to pay debts (Kasmir, 2017)

d. Cash Turnover Ratio It is the ability to measure the adequacy level of a company's working capital needed to pay bills and finance sales.

e. Inventory to Net Working Capital Is a ratio used to measure or compare the amount of inventory available with the company's working capital. The liquidity ratio is reflected in the current ratio, the current ratio which shows the company's ability to pay off its short-term debt with current assets / current liabilities. The liquidity that is the focus of this study is the Current Ratio (CR). According to (Hanafi, M., & Halim., 2012) Current Ratio is the company's ability to measure to meet its short-term debt using its current assets (assets that will turn into cash within one year or one business cycle).

Current Ratio formula according to (Cashmere, 2017):
Types of Profitability

There are four main types of analysis used in profitability ratios to assess the level of profitability of a company in generating profits, according to (Kasmir, 2012):

a. Return On Assets (ROA) according to (Kasmir, 2012) is "a ratio that shows the result of the amount of assets used in the company". According to (Prihadi, 2005) stated that ROA aims to measure the company's ability to utilize assets to obtain profits and measure total results for all creditors and shareholders as providers of source of funds. According to (Prihadi, 2005) "Return On Asset is a ratio used to measure the level of profit to assets used in generating these profits".

b. Return On Equity (ROE) according to (Brigham & Houston, 2012), "Return On Equity is the ratio of net income to ordinary equity, measuring the rate of return on shareholder investment. It is a ratio that shows how much equity contributes to creating net income". According to (Kasmir, 2012) "Return On Equity is a ratio to measure net profit after tax with own capital. ROE is a ratio to measure the rate of return on shareholder investment".

c. Earnings Per Share (EPS) or earnings per share according to (Syamsuddin, 2019). Is a ratio that describes the amount of rupiah earned for each share of common stock. According to (Harahap, 2008) "Earnings Per Share is a ratio that shows how much ability per share to generate profits". In general, company management, ordinary shareholders and prospective shareholders are very interested in Earning Per Share as an indicator of the success of a company.

d. Net Profit Margin (NPM) according to (Riyanto, 2013) is a ratio that measures net profit per rupiah of sales. Comparison between net operating income and net sales. Net Profit Margin is a ratio used to measure profit margin on sales. This ratio usually describes the company's net income based on total net sales.

Company Value

Company value is a condition that has been achieved by a company as an illustration of public trust in the company after going through a process of activity for several years, namely since the company was established until now. Based on the calculation method used, there are 5 (five) types of company value, including (Christiawan, Jogi, &; Tarigan, 2007) Face Value, Market Value, Intrinsic Value, Book Value and Liquidation Value.

e. Earning Per Share (EPS) or earnings per share according to (Syamsuddin, 2019). Is a ratio that describes the number of dollars earned for each share of common stock. According to (Harahap, 2008) "Earning Per Share is a ratio that shows how much ability per share to generate profits". In general, company management, ordinary shareholders and prospective shareholders are very interested in Earning Per Share as an indicator of the success of a company.

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Measurement of Company Value according to (Weston & Copelan, 2004) in (Sulkhi, 2020) consists of:

1. Price Earning Ratio (PER), this ratio is used to measure how much the comparison between the company's stock price and the profits obtained by shareholders. According to (Tandelilin, 2007) PER is a comparison between a company's stock price with earning per share in stocks. P/E is a function of expected future changes in profit. The greater the PER, the greater the possibility of the company to grow so that it can increase the value of the company.
2. Price to Book Value (PBV), a ratio that shows whether the price of a stock is traded over valued or undervalued (below) the book value of the stock. According to Prayitno in (Sulkhi, 2020) PBV describes how much the market appreciates the book value of a company's shares. The higher this ratio, it means that the market is confident in the prospects of the company. PBV also shows how far a company is able to create corporate value relative to the amount of capital invested.

3. Tobin's Q, is calculated by comparing the ratio of the market value of a company's stock to the book value of the company's equity. Tobin's Q was developed by professor James Tobin (Weston & Copeland, 2004). This ratio is a very valuable concept because it shows the current financial market estimate of the return value of each incremental investment dollar.

Tobin's Q is a performance measurement tool by comparing two valuations of the same asset. If Tobin's Q ratio is above one, it indicates that the investment in the asset has produced a return that provides a higher value than the investment expenditure. This triggers the emergence of new investments, so the Tobin's Q indicator is an accurate measurement of how effectively the management utilizes economic resources in managing its company (Gimeno-Gilles et al., 2016). According to Zulfa (2012: 17) quoted from (Gimeno-Gilles et al., 2016) Tobin's Q can be calculated with the following formula:

\[
Tobin's\ Q = \frac{(EMV + D)}{EBV}
\]

RESEARCH METHODS
Research Approach
This research uses the causal research method or known as cause-and-effect research. This study aims to test hypotheses and is research that explains phenomena in the form of relationships between variables. The purpose of this study is to test whether the independent variable affects the dependent variable, namely whether profitability, liquidity, and solvency affect the value of the company. Measurement of research variables with statistical procedures.

Research Type
According to (Sugiyono, 2014), descriptive quantitative research is research conducted to determine the value of independent variables, either one or more variables (independent) without making comparisons, or connecting with other variables. Variative research according to (Sugiyono, 2014), is a quantitative research method can be interpreted as a research method used to examine certain populations or samples, and statistical data analysis with the aim of testing hypotheses that have been applied.

Population
According to (Sanusi, 2012) A population is a whole set of elements that exhibit certain characteristics that can be used to make conclusions and a good sample is a sample that can represent the characteristics of its population indicated by its level of accuracy and precision. (Sugiyono, 2014) asserts that population is defined as a generalization area consisting of objects / subjects that have certain qualities and characteristics that are applied by researchers to study and then draw conclusions. . The population used in this study is all companies engaged in banking companies listed on the Indonesia Stock Exchange. The number of companies listed on the Indonesia Stock Exchange is 44 Banking companies.

Table 1. Banking Company listed on IDX in 2014-2018
According to (Sujarwini & Wiratna, 2017) that the sample is part of a number of characteristics possessed by the population used for research. This study used a sampling technique, namely purposive sampling. According to (Sujarwini & Wiratna, 2017) that Purposive sampling is a sampling technique with considerations or criteria. The method of sampling using purposive sampling is based on certain considerations (Sanusi, 2012).

Table 2. Determination of Research Samples

<table>
<thead>
<tr>
<th>No</th>
<th>Criterion</th>
<th>Number of Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Banking Company listed on Indonesia Stock Exchange in 2014-2018</td>
<td>44</td>
</tr>
<tr>
<td>2</td>
<td>Minus banking companies that do not present annual reports or sustainability reports for 2014-2018</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Subtract banking companies that switched sectors during the observation year</td>
<td>0</td>
</tr>
<tr>
<td>4</td>
<td>Subtract banking companies that do not have complete data for the entire year of observation</td>
<td>23</td>
</tr>
</tbody>
</table>

Number of companies eligible as sample 19

Source: Data Processed 2023

Based on purposive sampling, all 19 banking companies listed on the Indonesia Stock Exchange have met the requirements determined by researchers. In this study using secondary data. Where secondary data is data obtained not directly from the object of research. Researchers obtain ready-made data collected by other parties in various ways or methods both commercially and non-commercially. The type of data used in secondary data is quantitative data, which means data that is presented in the form of numbers and is discrete data, namely data whose value is a natural number.

Data Collection Techniques

Data collection in this study, researchers determined banking companies that meet the purposive sampling criteria are secondary data documentation of financial statements. There are 19 banking companies listed on the Indonesia Stock Exchange in 2014-2018, the data is sourced.
RESULTS AND DISCUSSION

Classical Assumption Testing

Normality Test

Table 2. Normality Test Results

<table>
<thead>
<tr>
<th>Source: Output SPSS 26</th>
</tr>
</thead>
<tbody>
<tr>
<td>N 93</td>
</tr>
<tr>
<td>Normal Parameters a, b</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Most Extreme Differences</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Test Statistic</td>
</tr>
<tr>
<td>Asymp._Sig. (2-tailed)</td>
</tr>
</tbody>
</table>

*a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.

The significance results after Monte Carlo showed values of 0.182 > 0.05 which indicated that the data had met the normality test

Multicollinearity Test

The multicollinearity test can be seen from VIF and tolerance

If the VIF value > 10 or tolerance < 0.10, multicollinearity is declared. If the VIF value < 10 or tolerance > 0.10, it is stated that multicollinearity does not occur.

Table 3. Test Results using Monte Carlo

<table>
<thead>
<tr>
<th>Source: Output SPSS 26</th>
</tr>
</thead>
<tbody>
<tr>
<td>N 84</td>
</tr>
<tr>
<td>Normal Parameters a, b</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Most Extreme Differences</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Test Statistic</td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed)</td>
</tr>
<tr>
<td>Monte Carlo Sig. (2-tailed). Sig.</td>
</tr>
</tbody>
</table>

99% Confidence Interval Lower Bound 1.72  Upper Bound 1.92

*a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. Based on 10000 sampled tables with starting seed 2000000.

The results of the multicollinearity test showed that profitability has a VIF value of 1,031<10 while the tolerance value is 0.971>0.05, liquidity has a VIF value of 1,100<10 while the tolerance value is 0.909>0.10, and solvency has a value of 1,073<10 while the tolerance value is 0.932>0.10. From the results of table 5.6 above the value of VIF<5 so that it can be concluded that this model is nonmulticollinearity.

Heteroscedasticity Test

The heteroscedasticity test aims to test whether the regression model occurs variance inequality from the residual of one observation to another, this test uses Spearman's rho

Table 4. Multicollinearity Test Results

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Unstandardized</th>
<th>Standardized</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Coefficients</td>
<td></td>
<td>VIF</td>
</tr>
<tr>
<td></td>
<td>Std. Error</td>
<td>Beta</td>
<td>t</td>
</tr>
<tr>
<td>(Constant)</td>
<td>2.217</td>
<td>.328</td>
<td>6.767</td>
</tr>
<tr>
<td>Profitabilitas</td>
<td>.072</td>
<td>.049</td>
<td>.152</td>
</tr>
<tr>
<td>Liabilitas</td>
<td>-.002</td>
<td>.002</td>
<td>-.108</td>
</tr>
</tbody>
</table>

*a. Dependent Variable: Nilai Perusahaan |

The results of the multicollinearity test show that profitability has a VIF value of 1,031<10 while the tolerance value is 0.971>0.10, liquidity has a VIF value of 1,100<10 while the tolerance value is 0.909>0.10, and solvency has a value of 1,073<10 while the tolerance value is 0.932>0.10. From the results of table 5.6 above the value of VIF<5 so that it can be concluded that this model is nonmulticollinearity.

Table 5. Heteroscedasticity Test Results

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Profitabilitas</th>
<th>Likuiditas</th>
<th>Solvabilitas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spearman's rho</td>
<td>Correlation Coefficient</td>
<td>1.000</td>
<td>-.286**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.005</td>
<td>.898</td>
</tr>
<tr>
<td>N</td>
<td>93</td>
<td>93</td>
<td>93</td>
</tr>
<tr>
<td>Likuiditas</td>
<td>Correlation Coefficient</td>
<td>-.286**</td>
<td>1.000</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.005</td>
<td>.045</td>
</tr>
<tr>
<td>N</td>
<td>93</td>
<td>93</td>
<td>93</td>
</tr>
<tr>
<td>Aberration</td>
<td>Correlation Coefficient</td>
<td>.137</td>
<td>.138</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.190</td>
<td>.189</td>
</tr>
<tr>
<td>N</td>
<td>93</td>
<td>93</td>
<td>93</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

Source: Output SPSS 26

The results of the heteroscedasticity test in table 5.9 above found that the significant value of profitability 0.190>0.05, the significant value of
liquidity 0.189>0.05, and the significant value of solvency 0.106>0.05 of these results can be interpreted as nonheteroscedasticity or homoscedasticity.

**Autocorrelation Test**

Autocorrelation tests arise because successive observations over time are related to each other. To detect data on the presence or absence of autocorrelation, the Durbin-Watson or DW test is carried out.

Table 6. Autocorrelation test results

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.277</td>
<td>.077</td>
<td>.046</td>
<td>.94298</td>
<td>1.212</td>
</tr>
</tbody>
</table>

Source: Output SPSS 26

The d value of 1.212 is close to 2, so the assumption of no autocorrelation has been met.

**Hypothesis Testing**

**Multiple Regression**

Table 7. R Square Analysis Results

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.269</td>
<td>.072</td>
<td>.038</td>
<td>.58801</td>
</tr>
</tbody>
</table>

Source: Output SPSS 26

The amount of adjusted R Square value is 0.036, this means that 3.6% of the company's value variable (PBV) can be explained by the independent variables of profitability, liquidity and solvency. As for the rest, which is (100% - 36% = 64%) explained by other variables outside the variable.

Table 8. Statistical Test F

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>2.159</td>
<td>3</td>
<td>.720</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>27.661</td>
<td>80</td>
<td>.346</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>29.820</td>
<td>83</td>
<td></td>
</tr>
</tbody>
</table>

Source: Output SPSS 26

From the ANOVA test or F test, a calculated F value of 2.082 with a significance level of 0.109 is obtained this means that the effect of profitability (X1), Liquidity (X2), and Solvency (X3 on company value (Y) (0.109 > 0.05) together has no effect. The value of F table with the formula (n-k-1) = 84 – 3 – 1 = 80 (2.719) sig. 5%.

Table 9. Statistical Test Results t

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficients*</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1.751</td>
<td>.213</td>
<td>8.205</td>
</tr>
<tr>
<td></td>
<td>Profitabilitas</td>
<td>.038</td>
<td>.031</td>
<td>.131</td>
</tr>
<tr>
<td></td>
<td>Likuiditas</td>
<td>-.001</td>
<td>.001</td>
<td>-.131</td>
</tr>
</tbody>
</table>

Source: Output SPSS 26

Y = 1.751 + 0.131 X1 – 0.131 X2

The multiple regression equation indicates that variable X1 has the potential to increase the dependent variable (Y) by expressing the result of a coefficient of 0.131, but the variable X2 has the potential to decrease the dependent variable (Y) expressed by the result of the coefficient of X2 of -0.131

**DISCUSSION**

**The Effect of Profitability on The Value of The Company**

The results of partial hypothesis testing show that the effect of Profitability (X1) on Company Value (Y) produces a coefficient of 0.233 and t count of 1.202 with a significance of 0.233 > 0.05 (greater than 0.05) which means that the results of this study show that the profitability variable has no effect on company value. Thus H1 is rejected, and Ho is accepted. The results of this study are in line with research from (Hafizal &; Suhendro, 2021) which states that profitability has no effect on company value.

**The Effect of Liquidity On Company Value**

The results of partial hypothesis testing show that the effect of liquidity (X2) on company value (Y) produces an efficiency of -0.131 and t calculated as much as -1.152 with a significance of 0.253 > 0.05 (greater than 0.05) which means that the results of this study show that liquidity variables have no effect on company value. Thus, H2 is rejected, and H0 is accepted.
RESEARCH IMPLICATIONS
This study illustrates that the distribution of data that is a reference in the study is indicated not to be distributed correctly, because in the recapitulation of the annual financial report there are several companies that do not present complete financial statement items, this affects the analysis of the processed data, and if it is related to the year of its listing on the Indonesia Stock Exchange (IDX) it should have nothing to do. Because the data processed by the researcher is not a banking company that in the period of this study has just joined so that the data presented does not exist.

Research Limitations
Possible limitations in this study can affect the results of the study:
The research sample is limited because some companies do not have complete data for the entire year of observation, so the results of the study cannot be generalized. From this sample, it cannot describe in general all types of banking companies in Indonesia.
This study only used a sample of companies in the banking field. The number of research samples is relatively small compared to the number of all companies listed on the Indonesia Stock Exchange (IDX) so that it cannot be said that the results of the research as a whole.
Researchers used data obtained from the Indonesia Capital Market Directory (ICMD) products from ECFIN and did not get financial statements from IDX directly, because at the time of the research researchers only subscribed to the institution.
In this study only used 3 independent variables, namely profitability, liquidity so that there are still many independent variables that have not been studied. In the process of collecting data, researchers can only analyze from existing results in accordance with the data presented in the annual report, which report cannot be calculated manually because it is not presented in detail.

CONCLUSION
Based on the results of the analysis, it can be concluded as follows:

1. The test results partially show that the Profitability variable has no effect on company value in banking companies listed on the Indonesia Stock Exchange in 2014-2018. It can be seen from the value of the coefficient of 0.233 and t count of 1.202 with a significance of 0.233 > 0.05 (greater than 0.05)
2. The test results partially show that the Liquidity variable has no effect on the company value of banking companies listed on the Indonesia Stock Exchange in 2014-2018. It can be seen from the efficiency value of -0.131 and t count of -1.152 with a significance of 0.253 > 0.05 (greater than 0.05)
3. From the test results simultaneously show that profitability, liquidity and solvency do not affect the value of companies in banking companies listed on the Indonesia Stock Exchange in 2014-2018 by 3.6% and 6.4% influenced by other factors that have not been studied such as dividend policy, CSR, exchange rate fluctuations, capital structure, asset value, managerial ownership, company growth.

BIBLIOGRAPHY


1–28.


