ABSTRACT

Cynthia Devi. 2014, THESIS. Title: “The Influence of Corporate Social Responsibility to Firm Value with Solvability as the Moderating Variable (Empirical Study at Telecommunications Companies Listed in The Indonesia Stock Exchange)”

Advisor : Yuniarti Hidayah SP, SE., M. Bus., Ak., CA
Keywords : Corporate Social Responsibility, Debt to Asset, Debt to Equity, Return on Equity.

Corporate Social Responsibility is a commitment of the company to contribute more to the public, either through social action and environmental responsibility. The aim of this research is to know: (1) The influence of Corporate Social Responsibility to firm value (2) The influence of solvability as the moderating variable in relations between Corporate Social Responsibility and firm value.

This research is used multiple regression analysis. The research samples are 6 telecommunications companies listed in the Indonesia Stock Exchange (BEI) during 2010-2012. The samples are selected using purposive sampling technique with predetermined criteria. Debt to asset and debt to equity used as proxies of solvability, whereas return on equity as proxy of firm value.

Based on the regression analysis, it showed that (1) Simultaneously, the effect of Corporate Social Responsibility and solvability have a significant interaction on firm value. (2) Partially, Corporate Social Responsibility have a significant effect to firm value with a significant level of 0.004. As the moderating variable, debt to asset as the proxy of solvability has a significant effect on the level of 0.010 related to Corporate Social Responsibility and firm value. Whereas, debt to equity as the moderating variable has no effect on the relation of Corporate Social Responsibility and firm value.