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The Effect of Leverage, Liquidity and Firm Size on Firm Value with Earning Management as Mediator and Good Corporate Governance as Moderator of Real Estate, Property and Building Construction in The Indonesia Stock Exchange

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ABSTRACT: The purpose of this study is to determine of the effect of leverage, liquidity and firm size on firm value with earning management as intervening variable and good corporate governance as moderating variable in the property, real estate and building construction sectors that are listed in the Indonesia Stock Exchange from 2018 to 2021. The quantitative research method is Causal Explanatory with the unit of analysis as many as 57 property, real estate and building construction companies during research period so that a total of 228 samples were processed using SmartPLS 3.0. The results showed that 6 hypotheses were rejected, meaning that there was non-significant effect partially leverage, liquidity and firm size on firm value. Earning management does not mediate the influence of leverage, liquidity and firm size on firm value. Meanwhile, GCG is proven to moderate the influence of leverage and firm size on firm value, while one hypothesis, namely H8, is rejected. This means that GCG does not moderate the influence of liquidity on firm value. This research only done in the property, real estate and building construction on the Indonesia Stock Exchange from 2018 to 2021.

KEYWORDS: Firm Value, Leverage, Liquidity, Firm Size, Earning Management

I. INTRODUCTION

Researchers are interested in property, real estate and building construction sector listed on the Indonesia Stock Exchange because the company was affected by the economic crisis due to the COVID-19 pandemic. In 2021, construction sector was experiencing growth contraction by 3,26 percent. Meanwhile, property sector was just experiencing growth by 2,32 percent.

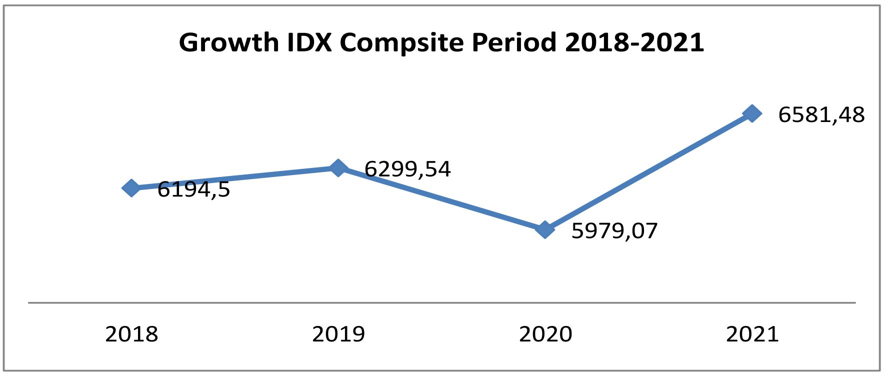

Figure 1. Graph of Growth IDX Composite Period 2018-2021
Source: Processed data

IDX Composite movement from 2018 until 2021 was experiencing fluctuation. IHSG went down in 2020 but rose again in 2021. This IHSG movement often fluctuates and difficult to predict, yet it does not mean that if IHSG rise then all stock prices on that index would rise as well; On the other hand, if IHSG drop then all stock prices would go down because large majority of IHSG is affected by stock transaction with large capitalization (Anggraini, 2019).

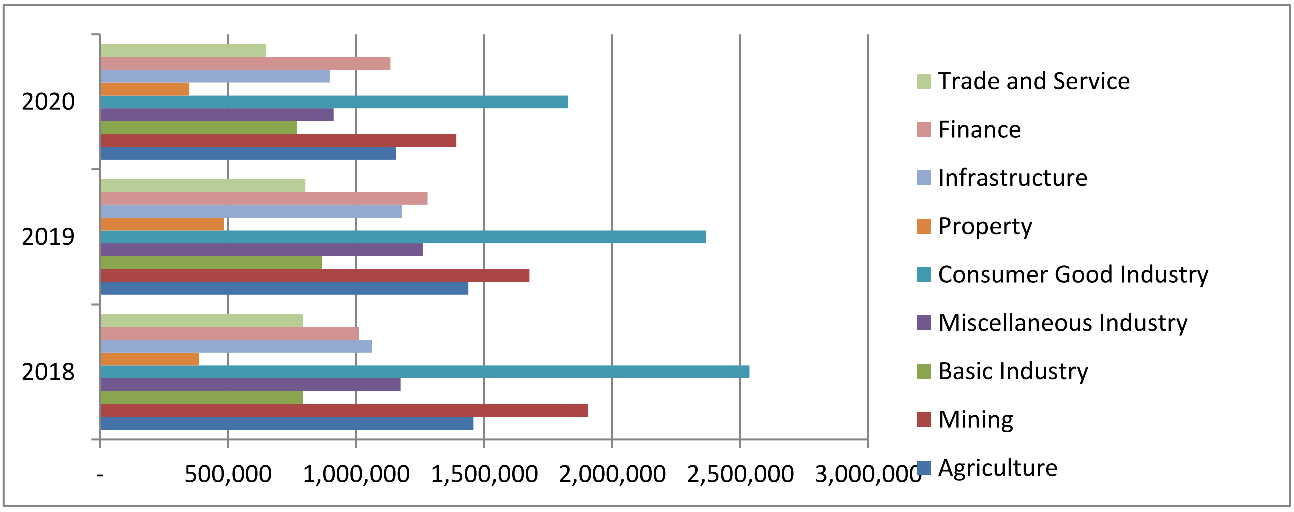

Figure 2. Graph of Growth IDX Composite by Sector Period 2018-2021
Source: Processed data.

On a year-to-year basis, during the 2018-2021 period, the JCI experienced a weakening, in which the property sector was the biggest contributor to the weakening of the JCI throughout 2020. Firm value is still an important and interesting object of study, considering that firm value is one of the things that investors would base their decision on investing with the goal to gain profit from the activity of said entity.

In contemporary approach, funding from foreign investment, like long-term loans from banks or other kinds of creditors, often would be more beneficial to company owners (stakeholders) if interest expenses from said loans or investment are still lower than the company's rate of return or profit rate. In the condition that profit rate is higher than interest expenses, funding from personal investment, instead, would reduce the company owner's profit rate. This condition would be the base from the concept of leverage that points to continuous company growth (Irfani, 2020:104). The result of research by Nugraha dan Alfarisi (2020) reveal that the higher the leverage than the higher the firm value would be. Different than the result of research by Setyadi & Iskak (2020) which shows that leverage does not have a significant effect on firm value.

One of the things that reflect good company growth is increasing liquidity. Liquidity is the capability of a company to fulfill its short-term responsibilities using its current assets. The higher liquidity rate a company has, the higher its capability to fulfill its short-term responsibilities and vice-versa. It is due to companies with high liquidity rate have proven they have had managed their current assets well (Nur, 2019). The result of research done by Uli et al (2020) shows that each increase in liquidity is followed by increase in firm value but the research by Selin et al (2018) and Aruan et al (2022) shows otherwise, liquidity does not affect firm values.

Aside of leverage and liquidity, another factor that could affect firm value is size of the company. A firm size is thought to have an effect upon firm value. The size of a company reflects the amount of assets it currently has. The result of research done by Dewantari et al (2019) proves that larger company tends to attract more investors hence its value would increase within sight of potential investors. This is due to larger company tends to have more stable condition. The result of that research clashed with the result of research done by Indrayani et al (2021) that proves the size of a company does not affect its value. Clashing former research results makes research about the effect of leverage, liquidity, and size of company towards firm value interesting and necessary to be done. This research is using profit management as mediating variable and good corporate governance as moderating variable.

A. Formulation of The Problem

The description of the research problem is as follows:

1. Does leverage significantly affect firm value of real estate, property and building construction sectors that are listed in the Indonesia Stock Exchange period 2018 – 2021?
2. Does liquidity significantly affect firm value of real estate, property and building construction sectors that are listed in the Indonesia Stock Exchange period 2018 – 2021?

3. Does firm size significantly firm value of real estate, property and building construction sectors that are listed in the Indonesia Stock Exchange period 2018 – 2021?
4. Is profit management able to mediate the effect of leverage on firm value of real estate, property and building construction sectors that are listed in the Indonesia Stock Exchange period 2018 – 2021?
5. Is profit management able to mediate the effect of liquidity on firm value of real estate, property and building construction sectors that are listed in the Indonesia Stock Exchange period 2018 – 2021?
6. Is profit management able to mediate the effect of firm size on firm value of real estate, property and building construction sectors that are listed in the Indonesia Stock Exchange period 2018 – 2021?
7. Is good corporate governance able to mediate the effect of leverage on firm value of real estate, property and building construction sectors that are listed in the Indonesia Stock Exchange period 2018 – 2021?
8. Is good corporate governance able to mediate the effect of liquidity on firm value of real estate, property and building construction sectors that are listed in the Indonesia Stock Exchange period 2018 – 2021?
9. Is good corporate governance able to mediate the effect of firm size on firm value of real estate, property and building construction sectors that are listed in the Indonesia Stock Exchange period 2018 – 2021?

B. Research Purposes

The general aim of this research is to obtain a new theoretical model. This model describes the causal relationship between leverage, liquidity, firm size, and firm value. Earning Management variable as Intervening variable on Firm Value and GCG as moderating variable on firm value.

II. THEORETICAL REVIEW

Financial Management

Financial management can be defined as the activity of managing company money that are related in effort to obtain and use fund in efficient and effective manner with the purpose of achieving company goals. According to Irfani (2020) financial management has six functions, namely:

1. Funding Function

The funding function includes determining the purpose of the allocation of funds, determining the amount of funds to be withdrawn in accordance with the budget for funding needs to fund all operational and investment activities of the company, determining the sources of funds, determining the period of return of foreign capital funds to creditors, and estimating the level of profit to be obtained from funds to be withdrawn by considering the comparison between the level of profit, the amount of cost of capital, and the level of investment risk.

2. Operational Function

The operational function includes the activity of allocating short-term funds as working capital for the company's operational purposes periodically in order to generate revenues. The implementation of this function includes the management of current assets consisting of cash, marketable securities, accounts receivable, inventory, equipment, prepayments, and the management of current liabilities including accounts payable and accruals such as rent payable, tax payable, salary payable, and others.

3. Investment Function

The investment function includes the activity of allocating long-term funds for physical investment in fixed assets and financial investment in securities, such as stocks, bonds, time deposits, mutual funds, and various other financial instruments.

4. Forecasting and Long-Term Planning Functions

The implementation of these functions greatly determines the survival and success of the company in the future. Theoretically, it can be said that future projections are a linear line that illustrates the trend of development or decline in the condition and performance of the company. Forecasting, planning, and budgeting carried out by the company's financial managers in this function include budgeting, cash flow, forecasting costs and sales results, budgeting for investment fund needs, predicting the development of interest rates and investment returns, forecasting market demand for the company's products, and plans for developing the company's operations in the long term.

5. Fund Control Function

The control aspect in this function is in the form of efforts to equalize or adjust between the realization of the company's financial performance and the plan or budget that has been previously determined as a guideline.

6. Other Functions

Other functions of financial management in a company include credit and accounts receivable collection functions, insurance functions, incentive planning functions which include retirement benefits, dividend distribution, granting options or rights, as well as pricing functions and assessing the effect of prices on company profitability.

Agency Theory

According to Anthony & Govindarajan (2005), agency theory is the theory underlie the relationship between principal and agents with assumption that each individual is motivated by their own needs, so said relationship could result in conflict between principal and agents. According to Brigham and Gapenski (1996), in agency relationship, there will always be conflicts between: 1) managers and owners, 2) managers and employees, 3) owners and creditors (Suaidah, 2021:36).

Signaling Theory

This theory views every financial decision is a signal sent by managers to investors to reduce asymmetric information. Ross (1977) and few other authors in his time, developed a signaling model for company capital structure based on asymmetric information between managers and external investors. Managers, whom have more information in regards to the company, try to pass said information to external investors, whom have less information, in an effort to increase stock price of the company. To convince investors, this act of conveying information is done not only through announcement, but also through actions or decisions that would be hard to replicate by other companies as a signal that said company has better performance (performance report) compared to other companies. (Irfani, 2020:36).

Firm Value

Braley et al (2007) in Indrarini (2019:16) submitted an idea that firm value is a collective valuation from investors regarding the performance of a company, whether it is its performance in the present or in the future. Firm value is strongly tied to its stock price that could be measured by looking at the stock price growth in stock index; if the stock price rises, then the firm value also rises. This research uses earning per share (EPS), price earning ratio (PER) and price to book value (PBV) as indicator in assessing the firm value.

1. EPS

$$\text{EPS} = \frac{\text{Net Income of the Company}}{\text{Average Outstanding Shares of the Company}}$$

2. PBV

$$\text{PBV} = \frac{\text{Market Price Per Share}}{\text{Book Value Per Share}}$$

3. PER

$$\text{PER} = \frac{\text{Market Price of Share}}{\text{Earning per Share}}$$

Leverage

Solvency ratio or leverage ratio is the ratio that is used to measure how far company asset is funded by debts. In another word, solvency ratio or leverage ratio is the ratio to measure how large debt burden that companies have to carry to fulfill their assets. In a broad sense, solvency ratio is used to measure the ability of a company to fulfill its responsibility, either short-term or long-term (Thian, 2021:72). This research uses debt to assets ratio (DAR), debt to equity ratio (DER) and long-term debt to equity ratio (LTDtER) as indicator in assessing leverage.

1. DAR

$$\text{DAR} = \frac{\text{Total Debts}}{\text{Total Assets}}$$

2. DER

$$\text{DER} = \frac{\text{Total Debts}}{\text{Total Shareholder's Equity}}$$

3. LTDtER

$$\text{LTDtER} = \frac{\text{Total Long Term Debts}}{\text{Total Shareholder's Equity}}$$

Liquidity

Liquidity ratio is the ratio used to show a company ability to fulfill its responsibility or pay its short-term debt. In another word, liquidity ratio is a ratio that can be used to measure how high the ability of a company to pay off its due debts. This research uses quick ratio, current ratio and cash ratio as indicator in assessing liquidity.

1. Quick Ratio

$$\text{Quick Ratio} = \frac{\text{Current Assets} - \text{Inventory}}{\text{Current Liabilities}}$$

2. Current Ratio

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

3. Cash Ratio

$$\text{Cash Ratio} = \frac{\text{Cash} + \text{Cash Equivalent}}{\text{Total Current Liabilities}}$$

Firm Size

Riyanto (2008:313) in Toni et al (2021:33) stated that firm size is the size of company viewed through its equity value, sale value, or asset value. The larger the firm size can be considered easier for them to obtain internal or external funding. This research uses total assets and total revenue as indicator in assessing the firm size. The larger the size of the company, the easier it is for the company to obtain internal and external sources of funds. Easier accessibility in obtaining these sources of funds, will make larger companies able to have greater flexibility and the ability to raise funds in a short time. If the source of funds can really be managed optimally to produce good business feedback, then this can attract potential investors to invest their shares in related companies. This will be in line with the increase in firm value (Ramdhonah et al., 2019).

1. Total Assets

    Size = Natural Logarithm of Total Assets

2. Total Revenue

    Size = Natural Logarithm of Total Revenue

Earning Management

According to Simorangkir et al (2020:1784), earning management is an act of manipulating earning in financial report through widely used accounting methods. Earning management can be defined as intended management intervention in the process of deciding net income, generally used to fulfill personal objectives.

$$\text{Earning Management} = \frac{\text{Working Capital Accrual (t)}}{\text{Revenue Period (t)}}$$

Good Corporate Governance

According to Cheung and Chan (2004) in Jatiningrum dan Marantika (2021:21), corporate governance means the approach, observation, and control of attitude within a company. In a modern large company, a critical point in management generally is related to the distribution of works between the groups that control and manage its resources (management) and the groups that own and supply fund (stakeholders). This research uses total board of commissioners, total board of directors and total board of audit committee as indicator in assessing the good corporate governance.

1. Board of Commissioner Size

    Board of Commissioner Size = Total Board of Commissioners

2. Board of Director Size

Board of Director Size = Total Board of Director

3. Board of Audit Committee

Board of Audit Committee = Total Board of Committee

A. Conceptual Framework

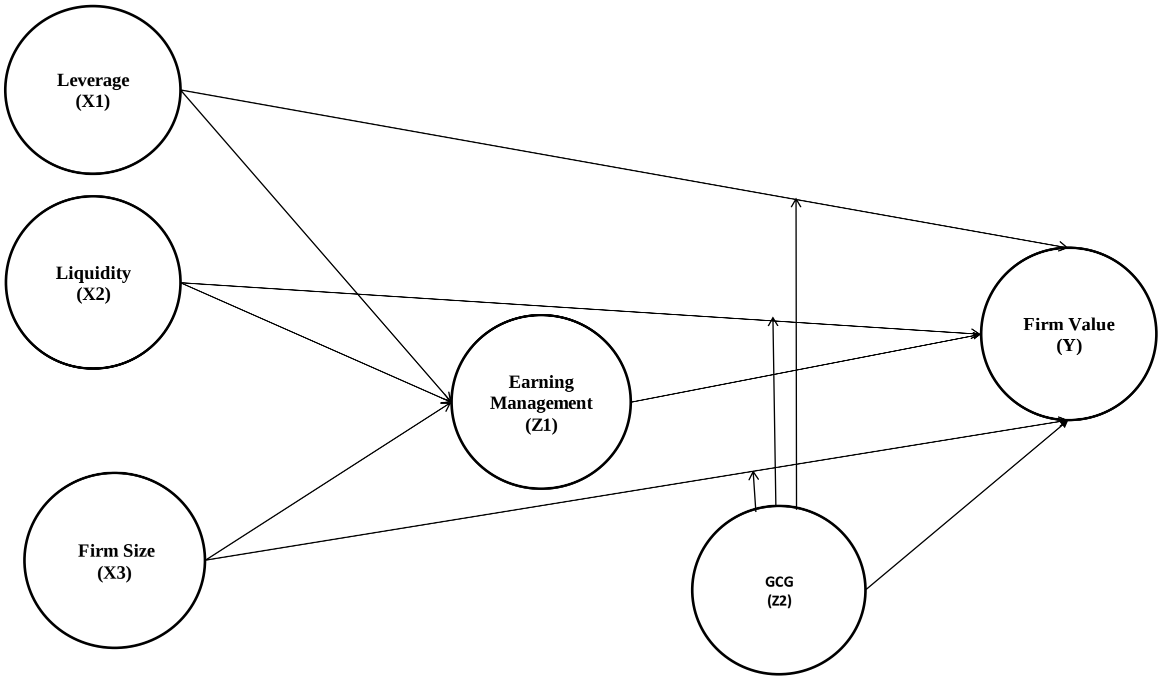

Figure 3. Conceptual Framework

B. Hypothesis

H1: Leverage significantly affects firm value of property, real estate, and building construction sectors that are listed in the Indonesia Stock Exchange in 2018 – 2021.

H2: Liquidity significantly affects firm value of real estate, property and building construction sectors that are listed in the Indonesia Stock Exchange period 2018 – 2021.

H3: Firm size significantly affects firm value of real estate, property and building construction sectors that are listed in the Indonesia Stock Exchange period 2018 – 2021.

H4: Earning management can mediate the effect of leverage on firm value of real estate, property and building construction sectors that are listed in the Indonesia Stock Exchange period 2018 – 2021.

H5: Earning management can mediate the effect of liquidity on firm value of real estate, property and building construction sectors that are listed in the Indonesia Stock Exchange period 2018 – 2021.

H6: Earning management can mediate the effect of firm size on firm value of real estate, property and building construction sectors that are listed in the Indonesia Stock Exchange period 2018 – 2021.

H7: Good Corporate Governance can moderate and strengthen the effect of leverage on firm value of real estate, property and building construction sectors that are listed in the Indonesia Stock Exchange period 2018 – 2021.

H8: Good Corporate Governance can moderate and strengthen the effect of liquidity on firm value of real estate, property and building construction sectors that are listed in the Indonesia Stock Exchange period 2018 – 2021.

H9: Good Corporate Governance can moderate and strengthen the effect of firm size on firm value of real estate, property and building construction sectors that are listed in the Indonesia Stock Exchange period 2018 – 2021.

III. RESEARCH METHODOLOGY

The research method used is a type of quantitative approach. This research was conducted to determine the causal relationship between variables. The scheme of the research flow design can be seen in the following figure:

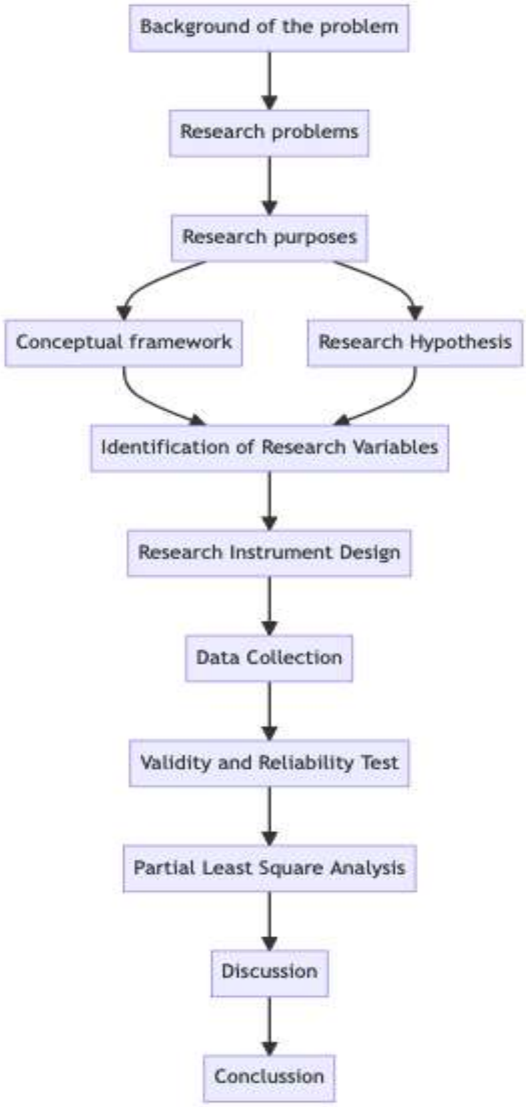

Figure 4. Research Flow Design

This study's population are property, real estate, and building construction sectors companies listed on the Indonesia Stock Exchange (IDX) for the 2018 – 2021 period. The sampling technique in this study used Judgment Sampling. The population selected becomes the sample based on judgment of the researcher. The companies chosen are companies that had published annual reports consistently in 2018 – 2021 and have stock market prices data publicly available on the Indonesia Stock Exchange Web (www.idx.co.id) in 2018 – 2021. Based on these criteria, 57 samples of property, real estate, and building construction sectors companies were obtained with a total of 228 observations, as shown in Table 1.

Table 1. Population and Sample

No	Criteria	Number of Companies
1	Issuers that are members of the Indonesia Stock Exchange (IDX) in the 2018 – 2021 period	94
2	Did not publish annual reports for 2018 – 2021	20
3	New company IPO in 2019 – 2021	17
Final sample number (i)		57
Number of years (t)		4
Number of observations (i*t)		228

IV. RESEARCH RESULT

The outer model testing includes convergent validity by looking at the loading factor (outer loading) and AVE, discriminant validity using the cross-loading method and composite reliability. The loading factor results are shown in Table 2 below:

Table 2. Average Variance Extracted (AVE)

Variable	Indicator	Loading Factor	AVE
Leverage	DAR	-0.282	0.359
	DER	0.423	
	LTDtER	0.905	
Liquidity	Current Ratio	0.938	0.745
	Quick Ratio	0.849	
	Cash Ratio	0.796	
Firm Size	Total Assets	0.239	0.500
	Total Revenue	0.971	
Earning Management	Working Capital Accrual Ratio	1,000	0.392
Good Corporate Governance	Total Board of Commissioner	-0.248	1.000
	Total Board of Director	-0.120	
	Total Board of Audit Committee	0.405	
Firm Value	EPS	0.001	0.592
	PER	0.931	
	PBV	0.954	

Source: Output PLS 2022

Based on table 2, it can be seen that the DAR and DER indicators on the leverage variable, the total assets indicator on the firm size variable, the board of commissioners and board of directors' indicators on the good corporate governance variable, and the EPS indicator on the firm value variable is less than 0.7. Thus the indicator is declared invalid so it is reduced gradually. Following are the results of the analysis after the reduction of invalid indicators.

Table 2. Average Variance Extracted (AVE) After Reduction

Variable	Indicator	Loading Factor	AVE
Leverage	LTDtER	1,000	1.000
Liquidity	Current Ratio	0.938	0.745
	Quick Ratio	0.849	
	Cash Ratio	0.796	
Firm Size	Total Revenue	1,000	1,000
Earning Management	Working Capital Accrual	1,000	1,000
Good Corporate Governance	Total Board of Audit Committee	1,000	1,000
Firm Value	PER	0.932	0.889
	PBV	0.954	

Source: Output PLS 2022

Based on table 3, it can be seen that all the indicators on the variable produce a loading factor and AVE value of more than 0.7. Thus all indicators are declared valid and further analysis can be carried out. Table 4 below shows the result of the discriminant validity of the research model by looking at the cross-loading value.

Table 4. Cross Loading

Indikator	Earning Management	GCG	Leverage	Liquidity	Moderating Effect 1	Moderating Effect 2	Moderating Effect 3	Firm Value	Firm Size
Audit Committee	-0.025	**1.000**	0.055	-0.154	-0.191	0.108	0.327	0.421	0.040
LTDtER	0.152	0.055	**1.000**	-0.105	0.098	0.032	0.027	0.051	0.015
Leverage * GCG	0.007	-0.191	0.098	0.114	**1.000**	-0.341	-0.251	0.410	0.067
Liquidity * GCG	-0.041	0.108	0.032	-0.323	-0.341	**1.000**	-0.003	-0.130	-0.028
PBV	-0.009	0.358	0.043	-0.039	0.313	-0.127	0.342	**0.932**	0.059
PER	-0.004	0.430	0.053	-0.038	0.448	-0.118	0.412	**0.954**	0.082
Earning Management	**1.000**	-0.025	0.152	0.181	0.007	-0.041	-0.002	-0.007	-0.082
Quick Ratio	0.071	-0.149	-0.072	**0.849**	0.153	-0.467	-0.023	-0.012	0.023
Cash Ratio	0.133	-0.119	-0.101	**0.796**	0.086	-0.064	-0.080	-0.040	0.035
Current Ratio	0.205	-0.140	-0.092	**0.938**	0.091	-0.365	-0.010	-0.041	-0.015
Total Revenue	-0.082	0.040	0.015	0.009	0.067	-0.028	0.027	0.076	**1.000**
Firm Size * GCG	-0.002	0.327	0.027	-0.040	-0.251	-0.003	**1.000**	0.403	0.027

Source: Output PLS 2022

Based on the cross-loading result in table 4 , all the loading indicator values for the construct are greater than the cross-loading value, so the discriminant validity is high. Table 5 below shows the results of composite reliability testing:

Table 5. Composite Reliability

Variable	*Cronbach's Alpha*	*Composite Reliability*
Earning Management	1.000	1.000
Good Corporate Governance	1.000	1.000
Leverage	1.000	1.000
Liquidity	0.835	0.897
Moderating Effect 1	1.000	1.000
Moderating Effect 2	1.000	1.000
Moderating Effect 3	1.000	1.000
Firm Value	0.876	0.941
Firm Size	1.000	1.000

Source: Output PLS 2022

Table 5 shows the value of composite reliability for all construct above the value of 0.7. These results indicate that each variable has met composite reliability so it can be concluded that all variables have a high level of reliability. Thus, all constructs have good reliability.

Testing the structural model (inner model) after estimating the model that meets the outer model criteria. The results of this test can be seen in the coefficient of determination table. The value of the coefficient of determination seen based on the adjusted R-Square value is used to determine how much influence the exogenous variable has on the endogenous variable. The adjusted R-square values are shown in the following table:

Table 6. Coefficient of Determination

Variable	R Square	R Square Adjusted
Firm Value	**0.583**	**0.568**

Source: *SMARTPLS 3.0 Analysis Results*

The adjusted R-square value on the firm value variable is known to be 0.568. This shows that firm value can be explained by the variables of leverage, liquidity, firm size, earning management and good corporate governance by 56.8%, and another 43.2% is explained by other variables outside the study.

A. Hypothesis Test

In determining the relationship between variables, in-depth testing is needed through the hypotheses shown in the following table:

Table 7. Hypothesis Test Result

Ha	Variable Relationship	Coefficient	T-statistics	P-values	Information
H1	Leverage -> Firm Value	0,183	0.264	0.792	Not Accepted
H2	Liquidity -> Firm Value	0.032	0.989	0.323	Not Accepted
H3	Firm Size -> Firm Value	0.046	0.237	0.813	Not Accepted
H4	Leverage -> Earning Management -> Firm Value	0.011	0.240	0.810	Not Accepted
H5	Liquidity -> Earning Management -> Firm Value	0.011	0.270	0.787	Not Accepted
H6	Firm Size -> Earning Management -> Firm Value	0.005	0.264	0.792	Not Accepted
H7	Moderating Effect GCG on Leverage -> Firm Value	0.881	2.011	0.045	Accepted
H8	Moderating Effect GCG on Liquidity -> Firm Value	0.170	0.140	0.888	Not Accepted
H9	Moderating Effect GCG on Firm Size -> Firm Value	0.246	2.006	0.045	Accepted

**) Significant with an error rate of 5% (α=0.05)*

Source: *SMARTPLS 3.0 Analysis Results*

V. DISCUSSION

In testing each hypothesis with bootstrap to minimize the problem of abnormal research data from PLS analysis as follows:

1. **Hypothesis Testing 1 Leverage Have a Significant Influence on Firm Value in Property, Real Estate and Building Construction Sector Companies listed on the Indonesia Stock Exchange (IDX) for the 2018 – 2021 period.**
   The effect of leverage on firm value has a significance value of 0.264 ($t < 1.96$) with significance level of 0.792 ($p > 0.05$). This shows that the leverage directly has no significant effect on the firm value. Thus, H1 is rejected. The partial test results are in line with research conducted by Aruan et al (2022).
2. **Hypothesis Testing 2 Liquidity Have a Significant Influence on Firm Value in Property, Real Estate and Building Construction Sector Companies listed on the Indonesia Stock Exchange (IDX) for the 2018 – 2021 period.**
   The effect of liquidity on firm value has a significance value of 0.989 ($t < 1.96$) with significance level of 0.323 ($p > 0.05$). This shows that the liquidity directly has no significant effect on the firm value. Thus, H2 is rejected. The partial test results are in line with research conducted by Iman, Sari and Pujiati (2021).
3. **Hypothesis Testing 3 Firm Size Have a Significant Influence on Firm Value in Property, Real Estate and Building Construction Sector Companies listed on the Indonesia Stock Exchange (IDX) for the 2018 – 2021 period.**

The effect of firm size on firm value has a significance value of 0.237 (t <1.96) with significance level of 0.813 (p >0.05). This shows that the firm size directly has no significant effect on the firm value. Thus, H3 is rejected. The partial test results are in line with research conducted by Suwardika & Mustanda (2017).

4. **Hypothesis Testing 4 Earning management can mediate the effect of leverage on Firm Value in Property, Real Estate and Building Construction Sector Companies listed on the Indonesia Stock Exchange (IDX) for the 2018 – 2021 period.**
   The effect of leverage on firm value with earning management as intervening variable has a significance value of 0.240 (t <1.96) with significance level of 0.810 (p >0.05). This shows that earning management cannot mediate the influence of leverage on firm value. Thus, H4 is rejected.
5. **Hypothesis Testing 5 Earning management can mediate the effect of liquidity on Firm Value in Property, Real Estate and Building Construction Sector Companies listed on the Indonesia Stock Exchange (IDX) for the 2018 – 2021 period.**
   The effect of liquidity on firm value with earning management as intervening variable has a significance value of 0.270 (t <1.96) with significance level of 0.787 (p >0.05). This shows that earning management cannot mediate the influence of liquidity on firm value. Thus, H5 is rejected.
6. **Hypothesis Testing 6 Earning management can mediate the effect of leverage on Firm Value in Property, Real Estate and Building Construction Sector Companies listed on the Indonesia Stock Exchange (IDX) for the 2018 – 2021 period.**
   The effect of firm size on firm value with earning management as intervening variable has a significance value of 0.264 (t <1.96) with significance level of 0.792 (p >0.05). This shows that earning management cannot mediate the influence of firm size on firm value. Thus, H6 is rejected.
7. **Hypothesis Testing 7 Good Corporate Governance can moderate and strengthen the effect of leverage on Firm Value in Property, Real Estate and Building Construction Sector Companies listed on the Indonesia Stock Exchange (IDX) for the 2018 – 2021 period.**
   The effect of leverage on firm value with good corporate governance as moderating variable has a significance value of 2.01 (t >1.96) with significance level of 0.045 (p >0.05). This shows that good corporate governance can moderate the influence of leverage on firm value. Thus, H7 is accepted.
8. **Hypothesis Testing 8 Good Corporate Governance can moderate and strengthen the effect of liquidity on Firm Value in Property, Real Estate and Building Construction Sector Companies listed on the Indonesia Stock Exchange (IDX) for the 2018 – 2021 period.**
   The effect of liquidity on firm value with good corporate governance as moderating variable has a significance value of 0,14 (t <1.96) with significance level of 0.888 (p >0.05). This shows that good corporate governance cannot moderate the influence of liquidity on firm value. Thus, H8 is rejected.
9. **Hypothesis Testing 9 Good Corporate Governance can moderate and strengthen the effect of firm size on Firm Value in Property, Real Estate and Building Construction Sector Companies listed on the Indonesia Stock Exchange (IDX) for the 2018 – 2021 period.**
   The effect of leverage on firm value with good corporate governance as moderating variable has a significance value of 2.01 (t >1.96) with significance level of 0.045 (p >0.05). This shows that good corporate governance can moderate the influence of firm size on firm value. Thus, H9 is accepted. The partial test results are in line with research conducted by Wardani & Kaleka (2022).

VI. CONCLUSIONS AND SUGGESTIONS

A. Conclusion

Based on the formulation of the problem, the literature and data analysis have been previously confirmed, the conclusions are as follows:

1. Leverage Does Not Affect Firm Value
   The effect of leverage on firm value has a significance level of 0.792 (p >0.05). This showsthat the leverage directly has not significant effect on the firm value.
2. Liquidity Does Not Affect Firm Value
   The effect of liquidity on firm value has a significance level of 0.323 (p >0.05). This showsthat the liquidity directly has not significant effect on the firm value.
3. Firm Size Does Not Affect Firm Value
   The effect of firm size on firm value has a significance level of 0.813 (p >0.05). This showsthat the firm size directly has not

significant effect on the firm value.

4. Leverage With Earning Management As Intervening Variable Does Not Affect Firm Value
   The effect of leverage on firm value with earning management as intervening variable has a significance level of 0.810 ($p > 0.05$). This shows that earning management cannot mediate the influence of leverage on firm value.
5. Liquidity With Earning Management As Intervening Variable Does Not Affect Firm Value
   The effect of liquidity on firm value with earning management as intervening variable has a significance level of 0.787 ($p > 0.05$). This shows that earning management cannot mediate the influence of liquidity on firm value.
6. Firm Size With Earning Management As Intervening Variable Does Not Affect Firm Value
   The effect of firm size on firm value with earning management as intervening variable has a significance level of 0.810 ($p > 0.05$). This shows that earning management cannot mediate the influence of firm size on firm value.
7. Leverage With Good Corporate Governance As Moderating Variable Does Affect Firm Value
   The effect of leverage on firm value with good corporate governance as moderating variable has a significance level of 0.045 ($p > 0.05$). This shows that good corporate governance can moderate the influence of leverage on firm value.
8. Liquidity With Good Corporate Governance As Moderating Variable Does Not Affect Firm Value
   The effect of liquidity on firm value with good corporate governance as moderating variable has a significance level of 0.888 ($p > 0.05$). This shows that good corporate governance cannot moderate the influence of liquidity on firm value.
9. Firm Size With Good Corporate Governance As Moderating Variable Does Affect Firm Value
   The effect of firm size on firm value with good corporate governance as moderating variable has a significance level of 0.045 ($p > 0.05$). This shows that good corporate governance can moderate the influence of firm size on firm value.

B. Suggestion

Based on the findings and conclusions above, the suggestions that can be submitted in this study are:

1. For investors, they may consider the good corporate governance in investing in the company. Because good corporate governance as moderating variable based on the results of the study have a significant influence of leverage on firm value and firm size on firm value.
2. Next researcher can use other variables or the same variables with different indicators from this study with the aim of seeing more concrete results in measuring the firm value.
3. This research can be used as a reference and useful for other researchers considering that this research still has many limitations.

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