ABSTRACT

The purpose of this study is to examine whether there is an effect of Good Corporate Governance and Leverage on firm value by using profitability as a moderating variable of the effect of GCG and Leverage on firm value in the consumer goods sector. The theory used in this research is agency theory. Agency theory is agency theory is a theory used to understand good corporate governance. This theory discusses the relationship between principals (shareholders) and agents (management). The type of research used in this research is quantitative research. The population in this study were all companies in 51 consumer goods sectors listed on the Indonesia Stock Exchange. The sample used is 30 companies in the consumer goods sector. The results of this study indicate that good corporate governance as represented by the audit committee and public ownership has a positive effect on firm value. Leverage represented by DAR has an effect and has a positive direction on firm value. Good corporate governance which is represented by the audit committee and moderated by profitability proves that profitability is able to moderate GCG and has a positive effect on firm value. Leverage represented by DAR and moderated by profitability proves that profitability is not able to moderate leverage and has a positive effect on firm value.

Keywords*: Good Corporate Governance, Leverage, Profitability, Firm Value.*