



The Effect of Accounting and Non-Accounting Information on Firm Value in the Indonesia Stock Exchange

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Received: 7 September 2023 | Revised: 23 October 2023 | Published: 27 November 2023

Abstract

Purpose: This study aims to analyze the effect of accounting information, including earnings per share (EPS), return on equity (ROE), debt to equity ratio (DER), and book value per share (BVPS), as well as non-accounting information consisting of firm size, auditor reputation, and institutional ownership on firm value of companies listed on the Indonesia Stock Exchange.

Research Methodology: This study uses a quantitative approach with multiple linear regression analysis. The sample consists of 120 manufacturing companies listed on the Indonesia Stock Exchange during 2019–2023, resulting in 600 observations selected through purposive sampling. Secondary data were obtained from annual financial reports and analyzed using SPSS version 26 after classical assumption testing.

Results: The results indicate that EPS, ROE, BVPS, firm size, and auditor reputation have a positive and significant effect on firm value. Meanwhile, DER has a negative and significant effect, while institutional ownership has no significant effect. Simultaneously, the independent variables explain 63.8% of firm value variation.

Conclusions: Accounting and non-accounting information are important determinants of firm value. Profitability, capital structure, firm size, and auditor reputation contribute to enhancing firm value, whereas institutional ownership does not significantly influence market valuation.

Limitations: This study is limited to manufacturing companies listed on the Indonesia Stock Exchange during 2019–2023 and uses Tobin Q as a proxy for firm value.

Contribution: This study provides empirical evidence on the role of accounting and non-accounting information in determining firm value and offers insights for investors, managers, and future researchers in capital market decision-making.

Keywords: *Accounting Information, Firm Value, Manufacturing Companies, Non-Accounting Information, Tobin's Q*

How to Cite: P, N. F. E., & Rayyani, W. O. (2023). The Effect of Accounting and Non-Accounting Information on Firm Value in the Indonesia Stock Exchange. *Jurnal Teknik dan Informatika (JTI)*, 3(2), 97-108.

1. Introduction

Firm value represents the market perception of a company's overall performance and future prospects. A higher firm value reflects greater investor confidence regarding the company's ability to generate sustainable returns. In capital markets, firm value is commonly reflected through market indicators

such as stock prices and market valuation. Therefore, maximizing firm value has become one of the primary objectives of corporate management because it directly affects shareholder wealth and represents the success of managerial decisions ([Brigham & Houston, 2019](#)).

Investment decisions in capital markets are highly dependent on the availability and quality of information. Investors require comprehensive information to evaluate company performance, assess potential risks, and determine investment opportunities ([Heitzman & Huang, 2019](#)). According to signaling theory, companies provide signals to external parties through disclosed information to reduce information asymmetry between management and investors ([Spence, 1973](#); [Ross, 1977](#)). These signals can originate from accounting information, such as financial performance indicators, as well as non-accounting information related to corporate characteristics and governance mechanisms.

Accounting information plays an important role in explaining firm value because financial statements provide fundamental indicators regarding company performance and financial position. Earnings per share (EPS), return on equity (ROE), debt to equity ratio (DER), and book value per share (BVPS) are among the accounting indicators frequently considered by investors. EPS and ROE reflect a company's ability to generate profits, while DER provides information regarding capital structure and financial risk ([Olayinka, 2022](#)). Meanwhile, BVPS represents the fundamental value of shareholders' equity and provides an indication of the company's asset strength ([Aswat & Ardiansyah, 2023](#)). According to the value relevance theory proposed by [Ohlson \(1995\)](#) accounting information is considered valuable when it has the ability to explain variations in market value.

However, financial information alone may not fully explain differences in firm valuation. Investors also consider non-accounting information because corporate value is influenced not only by financial performance but also by organizational characteristics and governance quality ([Miralles-Quirós, Miralles-Quirós, & Valente, 2018](#)). Non-accounting information, such as firm size, auditor reputation, and institutional ownership, provides additional signals regarding corporate stability, transparency, and monitoring effectiveness. Large companies generally have better access to financing, stronger market positions, and higher disclosure levels, which may increase investor confidence. Similarly, reputable auditors provide assurance regarding financial reporting quality, while institutional ownership is expected to strengthen corporate monitoring mechanisms through effective oversight ([Watts & Zimmerman, 2018](#)).

The importance of analyzing both accounting and non-accounting information has increased in the Indonesian capital market. The Indonesia Stock Exchange (IDX) has experienced significant growth in investor participation, indicating increasing public interest in investment activities ([Asutay, Aziz, Indrastomo, & Karbhari, 2023](#)). Based on data from the Indonesian Central Securities Depository, the number of investors in the Indonesian capital market exceeded 10 million by the end of 2022 ([Kustodian, 2023](#)). This development highlights the growing need for accurate and comprehensive information to support rational investment decisions.

Previous studies have examined the relationship between accounting information and firm value. [Ohlson \(1995\)](#) emphasized that earnings and book value are important factors in explaining market valuation. Empirical evidence from [Menicucci \(2018\)](#) also shows that accounting information contributes to company valuation decisions. In [Kustodian \(2023\)](#) found that profitability indicators such as ROE influence firm value positively. Nevertheless, previous findings regarding some financial indicators remain inconsistent, particularly regarding capital structure and the role of debt in determining market valuation.

Furthermore, research regarding non-accounting information has produced mixed results. Although firm size, auditor reputation, and institutional ownership are theoretically expected to enhance firm value, empirical findings remain inconclusive. Institutional ownership, for example, is expected to improve monitoring effectiveness based on agency theory [Jensen and Meckling \(1976\)](#), but several studies have found insignificant relationships between institutional ownership and firm value. These inconsistencies indicate the need for further investigation regarding how accounting and

non-accounting information jointly influence firm valuation, particularly in the Indonesian manufacturing sector.

The manufacturing sector is selected as the research context because it represents one of the largest sectors listed on the Indonesia Stock Exchange with diverse company characteristics and relatively comprehensive financial reporting practices ([Behun, Gavurova, Tkacova, & Kotaskova, 2018](#)). Despite extensive studies on firm value determinants, limited research has simultaneously examined accounting and non-accounting information using a comprehensive model involving profitability, capital structure, accounting fundamentals, corporate characteristics, audit quality, and ownership structure.

Therefore, this study aims to examine the effect of accounting information, consisting of EPS, ROE, DER, and BVPS, as well as non-accounting information, including firm size, auditor reputation, and institutional ownership, on firm value of manufacturing companies listed on the Indonesia Stock Exchange during the 2019–2023 period. This research contributes theoretically by expanding empirical evidence regarding the determinants of firm value and practically by providing insights for investors, corporate managers, and policymakers in evaluating factors that influence market valuation.

2. Literature Review and Hypothesis/es Development

Signaling theory developed by [Spence \(1973\)](#) explains that companies with good performance tend to deliver positive signals to the market through the communication of relevant information. In the capital market, companies are motivated to disclose information regarding their conditions and performance to investors through various information channels, including both accounting and non-accounting information, in order to reduce information asymmetry ([Ross, 1977](#)). Positive signals received by investors can become a factor that increases stock demand, which ultimately leads to an increase in firm value.

Value relevance theory developed by [Ohlson \(1995\)](#) states that accounting information is considered relevant when it has a significant correlation with market stock value. The Ohlson model explains the relationship between firm value, abnormal earnings, and book value of equity, which has become a fundamental basis for value relevance research in accounting studies across various stock markets.

2.1 The Effect of Earnings Per Share (EPS) on Firm Value

Earnings per share (EPS) is one of the profitability indicators frequently used by investors to evaluate company performance. A high EPS indicates that a company is capable of generating greater profits for shareholders, making its shares more attractive and potentially increasing stock prices. Based on signaling theory, an increase in EPS can be interpreted as a positive signal for investors regarding the company's financial prospects and future performance ([Naknok, 2022](#)). The study conducted by [Fitriningsih, Yanto, and Cakranegara \(2021\)](#) shows that EPS has a positive and significant effect on firm value in manufacturing companies listed on the Indonesia Stock Exchange. Similar findings were reported by [Dang, Vu, Ngo, and Hoang \(2019\)](#) in the Vietnamese capital market. Based on these arguments, the first hypothesis is formulated as follows:

H₁: Earnings per share has a positive and significant effect on firm value.

2.2 The Effect of Return on Equity (ROE) on Firm Value

Return on equity (ROE) reflects the company's ability to generate profits from shareholders' invested capital. A high ROE indicates efficient management of equity and strong financial performance ([Brigham & Houston, 2019](#)). In other words, companies with higher ROE tend to have higher firm value because investors perceive that these companies are capable of providing optimal returns on their investments. According to [Diannisa, Lukytawati, and Koes \(2019\)](#), ROE has a positive effect on firm value in Indonesia. This finding is also supported by [Menicucci \(2018\)](#), who confirmed a positive relationship between profitability and firm value. Therefore, the second hypothesis is formulated as follows:

H₂: Return on equity has a positive and significant effect on firm value.

2.3 The Effect of Debt to Equity Ratio (DER) on Firm Value

Debt to equity ratio (DER) is a financial ratio that represents a company's capital structure by comparing total debt with total equity. According to trade-off theory, the use of debt within an optimal range can increase firm value because of the tax benefits associated with debt financing. However, excessive debt beyond the optimal level may increase financial risk and reduce firm value ([Myers, 1984](#)). A high DER indicates greater default risk, which may reduce investors' perceptions of company value. The study by [Ahmad, Muslim, and Syahrah \(2022\)](#) found that DER has a negative and significant effect on firm value in companies listed on the Indonesia Stock Exchange. This finding is consistent with ([Gill & Mathur, 2011](#)), who identified a negative relationship between financial leverage and firm value. Based on these arguments, the third hypothesis is developed as follows:

H₃: Debt to equity ratio has a negative and significant effect on firm value.

2.4 The Effect of Book Value Per Share (BVPS) on Firm Value

Book value per share (BVPS) represents the book value of equity per share as reflected in a company's financial statements. According to [Ohlson \(1995\)](#), book value of equity is an important fundamental variable for explaining stock prices. A higher BVPS indicates that a company has a stronger asset base, which may increase investor confidence and market valuation. Based on the findings of [Nastiti, Widodo, and Budiyo \(2023\)](#), BVPS has a positive and significant effect on stock prices of companies listed on the Indonesia Stock Exchange. Therefore, the fourth hypothesis is formulated as follows:

H₄: Book value per share has a positive and significant effect on firm value.

2.5 The Effect of Firm Size on Firm Value

Firm size is one of the non-accounting variables frequently associated with firm value. Large companies generally have better access to external funding sources, greater risk diversification capacity, and stronger bargaining power with various stakeholders involved in business activities ([Watts & Zimmerman, 2018](#)). In addition, large firms tend to provide more extensive information disclosure, which can reduce information asymmetry between management and investors.

Large companies are often perceived as having better financial stability, stronger operational capabilities, and greater growth prospects. These conditions may increase investor confidence and positively influence market valuation. The study conducted by [Purwanti \(2020\)](#) shows that firm size has a positive and significant effect on firm value in manufacturing companies listed on the Indonesia Stock Exchange. Therefore, the fifth hypothesis is formulated as follows:

H₅: Firm size has a positive and significant effect on firm value.

2.6 The Effect of Auditor Reputation on Firm Value

Auditor reputation reflects the quality and independence of external auditors who examine a company's financial statements. Companies audited by highly reputable public accounting firms, such as the Big Four accounting firms, are perceived by investors as having higher-quality and more reliable financial reports ([DeAngelo, 1981](#)). High audit quality reduces the possibility of inaccurate financial information and increases stakeholders' confidence in the company's financial reporting.

A reputable auditor can provide assurance regarding the credibility of financial information, which may reduce information risk and positively influence investor perceptions of company value. The study conducted by [Rosmawati, Harahap, Asry, Mary, and Indriyenni \(2023\)](#) reveals that auditor reputation has a positive effect on firm value in Indonesia. Based on these arguments, the sixth hypothesis is stated as follows:

H₆: Auditor reputation has a positive and significant effect on firm value.

2.7 The Effect of Institutional Ownership on Firm Value

Institutional ownership refers to the proportion of company shares held by institutional investors, such as pension funds, insurance companies, and mutual funds. Based on agency theory, a higher level of institutional ownership can strengthen monitoring mechanisms over management, reduce opportunistic behavior, and improve corporate governance effectiveness, which may ultimately enhance firm value (Jensen & Meckling, 1976). Institutional investors are considered capable of conducting effective supervision because they possess greater resources and expertise in evaluating corporate performance. However, previous studies have produced inconsistent findings regarding the relationship between institutional ownership and firm value. The study conducted by (Purba & Africa, 2019) found that institutional ownership does not have a significant effect on firm value in Indonesia. Based on these arguments, the seventh hypothesis is formulated as follows:

H₇: Institutional ownership has a positive and significant effect on firm value.

2.8 Research Conceptual Framework

Based on the literature review and hypothesis development presented above, the conceptual framework of this study illustrates the relationship between two groups of independent variables, namely accounting information and non-accounting information, and the dependent variable, firm value, which is measured using Tobin Q. The accounting information group consists of earnings per share (EPS), return on equity (ROE), debt to equity ratio (DER), and book value per share (BVPS). These variables represent fundamental financial indicators that provide information regarding company profitability, financial structure, and fundamental value. Meanwhile, the non-accounting information group consists of firm size (SIZE), auditor reputation (AUD), and institutional ownership (INST), which reflect company characteristics, reporting credibility, and corporate governance mechanisms.

The conceptual framework assumes that both accounting and non-accounting information provide signals to investors and influence their perceptions of company performance and future prospects. Therefore, these factors are expected to affect firm value as reflected by market valuation.

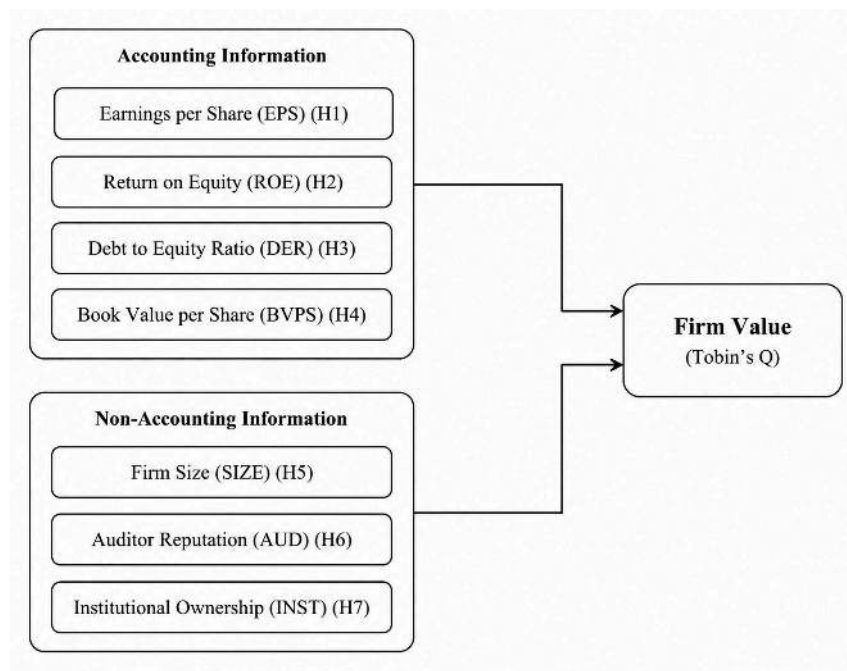


Figure 1. Conceptual Framework

Figure 1 illustrates the conceptual framework of this study, which describes the relationship between accounting information and non-accounting information as independent variables and firm value as the dependent variable. Accounting information consists of earnings per share (EPS), return on equity (ROE), debt to equity ratio (DER), and book value per share (BVPS), while non-accounting information includes firm size (SIZE), auditor reputation (AUD), and institutional ownership (INST). These variables are expected to influence firm value, which is measured using Tobin Q, based on the assumption that accounting and non-accounting information provide signals that shape investors' perceptions of company performance and future prospects.

3. Research Methodology

This study employs a quantitative approach with a causal research design aimed at examining the effect of accounting and non-accounting information on firm value. The quantitative approach is selected because this study aims to test previously formulated hypotheses based on theoretical foundations and prior empirical studies (Ghozali, 2018).

3.1 Population and Sample

The population of this study consists of all manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2019–2023 period. The manufacturing sector was selected because it represents one of the sectors with the largest number and most diverse types of companies listed on the IDX, while also having relatively homogeneous financial reporting characteristics. Based on IDX data (2023), there were 202 manufacturing companies listed during the research period.

The sampling technique used in this study is purposive sampling with the following criteria: (1) manufacturing companies consistently listed on the IDX during the 2019–2023 period; (2) companies that published audited annual financial reports during the research period; (3) companies that did not experience delisting or trading suspension during the research period; and (4) companies that provided complete data for all variables analyzed. Based on these criteria, a total of 120 companies were selected, resulting in 600 firm-year observations.

3.2 Research Variables and Measurement

The dependent variable in this study is firm value, which is measured using Tobin Q. The formula for calculating Tobin Q is:

$$\text{Tobin's Q} = \frac{\text{Market Value of Equity} + \text{Total Debt}}{\text{Total Assets}} \quad (1)$$

Tobin Q (Formula 1) is selected as a proxy for firm value because it reflects market expectations regarding the overall value of a company's assets (Chung & Pruitt, 1994).

The independent variables consist of accounting information variables, including earnings per share (EPS), return on equity (ROE), debt to equity ratio (DER), and book value per share (BVPS). EPS is measured as net income divided by the number of outstanding shares, ROE is calculated as net income divided by total equity, DER is measured as total debt divided by total equity, and BVPS is calculated as total equity divided by the number of outstanding shares. The non-accounting information variables used in this study include firm size, auditor reputation, and institutional ownership. Firm size is measured using the natural logarithm of total assets. Auditor reputation is measured using a dummy variable, with a value of 1 if the company is audited by a Big Four accounting firm and 0 otherwise. Institutional ownership is measured based on the percentage of shares owned by institutional investors.

3.3 Data Analysis Method

The data were analyzed using multiple linear regression analysis with the following Formula 2 :

$$\text{TOBINSQ} = \alpha + \beta_1\text{EPS} + \beta_2\text{ROE} + \beta_3\text{DER} + \beta_4\text{BVPS} + \beta_5\text{SIZE} + \beta_6\text{AUD} + \beta_7\text{INST} + \varepsilon \quad (2)$$

Where: TOBINSQ = firm value (Tobin's Q); α = constant; β_1 – β_7 = regression coefficients; EPS = earnings per share; ROE = return on equity; DER = debt to equity ratio; BVPS = book value per share; SIZE = firm size; AUD = auditor reputation; INST = institutional ownership; ε = error term.

Before conducting hypothesis testing, classical assumption tests were performed to ensure that the regression model met the required statistical criteria. The classical assumption tests consisted of the normality test using the Kolmogorov-Smirnov test, multicollinearity test using the variance inflation factor (VIF), heteroscedasticity test using the Glejser test, and autocorrelation test using the Durbin-Watson test. Hypothesis testing was conducted using the t-test (partial test) and F-test (simultaneous test) with a significance level of 5%. The t-test was used to examine the individual effect of each independent variable on firm value, while the F-test was used to evaluate the simultaneous effect of all independent variables. All data processing and statistical analyses were performed using SPSS version 26 software.

4. Results and Discussions

4.1 Results

4.1.1 Descriptive Analysis

Table 1. Descriptive Analysis of Research Variables

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Tobin Q	600	0.412	8.953	2.347	1.624
EPS	600	-125.30	3,420.50	312.48	489.72
ROE	600	-0.312	0.874	0.143	0.189
DER	600	0.021	4.872	0.986	0.754
BVPS	600	102.15	12,450.00	2,341.60	2,875.30
SIZE	600	25.32	33.15	28.74	1.843
INST	600	0.112	0.963	0.672	0.184

Source: Processed Secondary Data, 2026

Based on Table 1, the average value of Tobin Q is 2.347, indicating that, on average, the market value of the sampled companies is higher than their book value. This condition suggests that investors perceive the companies to have favorable future prospects, including the existence of goodwill and intangible assets recognized by the market. The earnings per share (EPS) variable has an average value of 312.48 with a standard deviation of 489.72, indicating considerable variation in companies' ability to generate earnings for shareholders. The minimum value of EPS is negative (-125.30), which reflects that some companies experienced losses during the observation period, while the maximum value of 3,420.50 indicates strong profitability performance among certain companies.

The return on equity (ROE) variable has an average value of 0.143, meaning that companies generate an average return of 14.3% on shareholders' equity. Meanwhile, the debt to equity ratio (DER) has an average value of 0.986, indicating that the sampled companies generally utilize debt financing at a level almost equivalent to their equity. The relatively high standard deviation of DER shows differences in capital structure policies among companies. The book value per share (BVPS) variable has an average value of 2,341.60, reflecting variations in the fundamental equity value of companies. Furthermore, firm size (SIZE) has an average value of 28.74, indicating differences in asset scale

among manufacturing companies. Institutional ownership (INST) has an average proportion of 0.672, suggesting that institutional investors hold a relatively substantial ownership portion in the sampled companies, which may contribute to corporate monitoring mechanisms.

4.1.2 Classical Assumption Test

The classical assumption tests were conducted to ensure that the regression model met the statistical requirements before hypothesis testing. The normality test using the Kolmogorov-Smirnov method shows an Asymp. Sig. value of $0.187 > 0.05$, indicating that the residuals are normally distributed.

The multicollinearity test results show that the Variance Inflation Factor (VIF) values for all independent variables range from 1.124 to 2.317, which are below the critical value of 10. This indicates that there is no multicollinearity problem among the independent variables in the regression model.

The heteroscedasticity test using the Glejser method shows that the significance values of all independent variables are greater than 0.05. This indicates that the regression model does not suffer from heteroscedasticity, meaning that the residual variance is relatively constant. Furthermore, the autocorrelation test shows a Durbin-Watson value of 1.978, which falls within the acceptable range of 1.55 to 2.46. Therefore, the regression model does not experience autocorrelation problems. Based on the results of all classical assumption tests, the regression model is considered appropriate and can be used for further hypothesis testing.

4.1.3 Multiple Linear Regression Analysis Results

Table 2. Results of Multiple Linear Regression Analysis

Variable/Description	Coefficient	Std. Error	t-Statistic	Sig.
Constant	-3.241	0.843	-3.844	0.000
EPS	0.002	0.000	5.712	0.000
ROE	3.847	0.612	6.285	0.000
DER	-0.418	0.134	-3.119	0.002
BVPS	0.001	0.000	4.923	0.000
SIZE	0.312	0.089	3.506	0.001
AUD	0.498	0.167	2.982	0.003
INST	0.214	0.312	0.686	0.493
R ²	0.643	-	-	-
Adjusted R ²	0.638	-	-	-
F-statistic	152.47	-	-	-
Sig. F	0.000	-	-	-

Based on Table 2, the multiple linear regression analysis results indicate that the independent variables jointly have a significant effect on firm value. This is evidenced by the F-statistic value of 152.47 with a significance level of $0.000 < 0.05$, indicating that the regression model is statistically significant and suitable for explaining variations in firm value. The coefficient of determination results show an Adjusted R² value of 0.638, indicating that the independent variables, consisting of EPS, ROE, DER, BVPS, firm size, auditor reputation, and institutional ownership, are able to explain 63.8% of the variation in firm value. Meanwhile, the remaining 36.2% is explained by other factors outside the research model.

Individually, EPS, ROE, BVPS, firm size, and auditor reputation show positive and significant effects on firm value. Meanwhile, DER has a negative and significant effect, indicating that higher debt levels may reduce market valuation due to increased financial risk. Institutional ownership has a positive but insignificant effect, suggesting that the presence of institutional investors does not significantly influence firm value in the observed manufacturing companies.

4.2 Discussion

4.3 The Effect of EPS on Firm Value

The test results indicate that EPS has a positive and significant effect on firm value ($\beta = 0.002$; $t = 5.712$; $p = 0.000$). Therefore, H_1 is accepted. This finding is consistent with signaling theory, which explains that an increase in earnings per share provides a positive signal to investors regarding the company's ability to generate profits. Higher EPS reflects better financial performance and increases investor confidence, which may lead to higher market valuation. This result is consistent with previous studies conducted by [Sudiyatno, Puspitasari, Nurhayati, and Rijanti \(2021\)](#) which found that EPS has a positive effect on firm value.

4.4 The Effect of ROE on Firm Value

The results show that ROE has a positive and significant effect on firm value ($\beta = 3.847$; $t = 6.285$; $p = 0.000$), indicating that H_2 is accepted. The relatively large ROE coefficient demonstrates that profitability based on shareholders' equity is one of the important determinants of firm value. Companies with higher ROE are considered more capable of efficiently utilizing shareholders' funds to generate profits, thereby increasing investor confidence and market appreciation. This finding supports the results of [\(Sudiyatno, Puspitasari, Nurhayati, & Rijanti, 2021\)](#), who also found a positive relationship between ROE and firm value in Indonesia.

4.5 The Effect of DER on Firm Value

The results indicate that DER has a negative and significant effect on firm value ($\beta = -0.418$; $t = -3.119$; $p = 0.002$), thus H_3 is accepted. This finding is consistent with trade-off theory, which explains that excessive use of debt may increase financial risk and reduce firm value. A higher DER indicates greater dependence on external financing, which may increase the possibility of financial difficulties and reduce investor confidence. This result is also consistent with the findings of [Ismiyatun, Aryani, and Ispriyahadi \(2021\)](#), who found that DER negatively affects firm value.

4.6 The Effect of BVPS on Firm Value

BVPS has a positive and significant effect on firm value ($\beta = 0.001$; $t = 4.923$; $p = 0.000$), meaning that H_4 is accepted. This finding supports [Ohlson \(1995\)](#) value relevance theory, which states that book value of equity is an important accounting information component in explaining firm value. A higher BVPS indicates that the company has a stronger fundamental equity base, which can increase investors' perceptions regarding company stability and future prospects.

4.7 The Effect of Firm Size on Firm Value

Firm size has a positive and significant effect on firm value ($\beta = 0.312$; $t = 3.506$; $p = 0.001$), indicating that H_5 is accepted. Larger companies generally have greater financial resources, better access to external financing, stronger operational capabilities, and higher levels of information disclosure. These advantages reduce information asymmetry and increase investor confidence, which ultimately enhances firm value. This finding is consistent with the study conducted by [\(Alatawi, Daud, & Johari, 2025\)](#).

4.8 The Effect of Auditor Reputation on Firm Value

Auditor reputation has a positive and significant effect on firm value ($\beta = 0.498$; $t = 2.982$; $p = 0.003$), indicating that H_6 is accepted. Companies audited by Big Four public accounting firms are perceived to have higher-quality financial reporting because reputable auditors provide stronger assurance regarding the reliability and credibility of financial information. Higher audit quality reduces information risk perceived by investors and contributes to increased firm value. This finding is consistent with theoretically supports [DeAngelo \(1981\)](#) audit quality theory.

4.9 The Effect of Institutional Ownership on Firm Value

The relationship between institutional ownership and firm value is not significant ($\beta = 0.214$; $t = 0.686$; $p = 0.493$), therefore H_7 is not supported. This finding is consistent with [Setyabudi \(2021\)](#), who also found that institutional ownership does not significantly affect firm value. This condition may occur because institutional investors in Indonesia may tend to play a passive role in monitoring management, resulting in limited effectiveness of the corporate governance monitoring function. Therefore, a higher proportion of institutional ownership does not necessarily guarantee improved managerial oversight or increased firm value.

5. Conclusions

Based on the analysis and discussion conducted, several conclusions can be drawn. First, accounting information represented by EPS, ROE, and BVPS has a positive and significant effect on firm value of manufacturing companies listed on the Indonesia Stock Exchange, while DER has a negative and significant effect. This indicates that profitability and fundamental accounting indicators play an important role in shaping investor perceptions and market valuation, whereas higher financial leverage may increase perceived risk and reduce firm value.

Second, among the three non-accounting information variables examined, firm size and auditor reputation have a positive and significant effect on firm value, while institutional ownership does not have a significant effect. This finding suggests that company scale and audit quality serve as important signals for investors in evaluating corporate credibility and future prospects. However, institutional ownership has not yet demonstrated an effective monitoring role in improving firm value.

Third, all independent variables simultaneously have a significant effect on firm value, with an explanatory power of 63.8%. This indicates that the combination of accounting and non-accounting information provides substantial information in explaining variations in firm value among manufacturing companies listed on the Indonesia Stock Exchange.

Acknowledgement

The authors would like to express their sincere gratitude to Universitas Muhammadiyah Makassar for the academic support and resources provided during the research process. The authors also appreciate all parties who contributed indirectly through valuable suggestions and assistance in completing this research.

Author Contributions

NFE contributed to the conceptualization, data collection, data analysis, and initial manuscript preparation. WOR contributed to research supervision, methodology validation, interpretation of findings, and critical revision of the manuscript. Both authors have reviewed and approved the final version of the manuscript.

Conflict of Interest

The authors declare that there is no conflict of interest regarding the publication of this article. This research was conducted independently, and all results are presented objectively without any financial, institutional, or personal relationships that could influence the research process or findings.

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