Abstract: This research is motivated by an increase in the average book value every year for the last five years in banking companies, which is caused by stable regional inflation that has occurred in the last decade and the high value of dividends given by companies to investors. The increase in the company’s book value was due to the relevance of the value of accounting recording information within the company and investment value decisions made by banking companies in developing their companies as well as the increase in the number of investors.

The aim of this research is to analyze the influence of the value relevance of accounting information, investment decisions on company value and inflation with dividend policy as an intervening variable in banking companies in 2016-2020. This research uses quantitative research. Data collection was carried out using secondary data from financial reports. The respondents in this research were 35 banking companies using a purposive sampling method.

The relevance of the value of accounting information has a negative and significant effect on company value with dividend policy as an intervening variable. Investment decisions have a negative and insignificant effect on company value with dividend policy as an intervening variable. The relevance of the value of accounting information has a positive and significant effect on inflation with dividend policy as an intervening variable. Investment decisions have a negative and significant effect on inflation with dividend policy as an intervening variable.

Keywords: Relevance of the Value of Accounting Information, Investment Decisions, Company Value, Inflation, Dividend Policy

I. Introduction

Financial reports are the main medium for conveying information by banking company management to parties outside banking with the aim of communicating financial conditions and other information to investors, creditors and other users of financial information. (Putri, Anisma, and Al Azhar 2017). Therefore, banking financial reports must be published to the public, as a source of information and as a means of providing information used by users such as owners, creditors, the government, and others to assess whether or not a banking company is suitable as a place for investment. (Kawatu 2019:24). The existence of financial report analysis will help users of financial reports in measuring company value, and can be used as the main tool for managers to demonstrate the effectiveness of achieving goals and to carry out responsibility functions within the organization.

The price of shares traded on the stock exchange is an indicator of business value for companies that sell their shares to the public, while earnings per share (EPS) is an indicator of company value. (Wismantara and Darmayanti 2017). There are many factors that influence the value of banking companies, starting from the relevance of the value of accounting information, investment decisions, inflation and dividend policy. According to
Winarsih (2010) The value relevance of accounting information is the reporting of accounting numbers that have a predictive model related to the market values of securities. The concept of value relevance cannot be separated from relevant criteria, if the amounts presented can reflect information that is relevant to the assessment of a company.

Determining information relevant to the amount of value required by the company must be based on a joint decision between the board of directors and the company's chief commissioner in determining the value of shares to be distributed to the public or the public, so that investment fund needs are in line with the company's needs. According to Fridanana and Asandimitra (2020), an investment decision is a choice made to collect income from an asset to gain profits in the future. Investment decisions are management policies in using existing company funds on assets that are expected to provide profits in the future. (Nelwan and Tulung 2018). The size of public investment funds is supported by high and low inflation in each region and country.

Sukirno (2010) provides an understanding of the inflation rate as (percentage increase in price increases) which differs from one period to another, and also differs from one country to another. The inflation rate is low, reaching under 2 or 3 percent, moderate inflation reaches 4-10 percent, and very serious inflation reaches several tens or several hundred percent in a year. The inflation rate in Indonesia has fluctuated, which has resulted in people's purchasing power decreasing. For companies, this increases company costs in the form of an impact on decreasing profitability and company value which also decreases. (Sartika and Choiriyah 2019).

The decline in profitability and company value experienced by banking companies also resulted in a policy of providing low dividends to investors. Dividend policy according to Wiyono and Kusuma (2017:74), is the result of business activities carried out by management which aims to seek profits through the effectiveness of the activities carried out and efforts to finance efficiency. Dividends are a form of return expected by investors besides capital gains.

Dividend policy can be reflected in measuring the company's dividend payout ratio. (Puspitaningtyas 2017). The amount of dividends given to investors is in accordance with the amount of company value obtained in each financial report data collection period.

Company value is investors' perception of the company which is often linked to share prices. A high company value is the desire of company owners, because a high value shows shareholder prosperity. (Kusuma and Hadri 2017). Calculation of company value can be determined through calculations: Price to book value is the ratio of stock price to the book value of a company's equity, which indicates the value that the market places on the company's management and the organization as a whole. By understanding the PBV value, potential investors can determine whether the price of a company is fair (in real terms) based on current conditions and not based on estimates of future performance. (Ali, Faroji, and Ali 2021).

![Figure 1. graph of the value of companies listed on the IDX in 2022](image-url)
The graph above shows the increase in the book value of the banking companies listed above from 2016 to 2022, the book value of the companies experienced a gradual increase every year during the last year, which may be caused by stable regional inflation that has occurred in the last decade and the high value of dividends, given by the company to investors. This increase in the company's book value also does not rule out the possibility due to the relevance of the value of accounting recording information within the company and investment value decisions made by banking companies in developing their companies as well as the increasing number of investors who are interested in using banking company shares.

Based on the phenomena discovered by the author above, the author wants to study in depth several of these phenomena which are formed in scientific work with the title The Influence of the Relevance of the Value of Accounting Information, Investment Decisions on the Value of Sales and Inflation with Dividend Policy as an Intervening Variable in Banking Companies in 2016-2020.

1.2 Formulation of the problem

The problem formulation in this research includes:

1. What is the influence of the Value Relevance of Accounting Information on Company Value?
2. What is the influence of investment decisions on company value?
3. What is the influence of the Value Relevance of Accounting Information on Inflation?
4. What is the influence of Investment Decisions on Inflation?
5. Is there an influence of the value relevance of accounting information on dividend policy?
6. Is there an influence of Investment Decisions on Dividend Policy?
7. What is the effect of Dividend Policy on Company Value?
8. What is the effect of Dividend Policy on Inflation?
9. What is the influence of Relevance Accounting Information on Company Value with Dividend Policy as an intervening variable?
10. What is the influence of Investment Decisions on Company Value with Dividend Policy as an intervening variable?
11. What is the influence of the value relevance of accounting information on inflation with dividend policy as an intervening variable?
12. What is the effect of Investment Decisions on Inflation with Dividend Policy as an intervening variable?

II. Review of Literature

2.1 The value of the company

A company is an organization that combines and organizes various resources with the aim of producing goods/services for sale. Company value is investors' perception of the company, which is often linked to share prices. (Sondakh and Morasa 2019). High share prices make the company value also high. According to Suteja and Gunardi (2023:3) The value of the company is determined solely by investment decisions. Calculation of company value using Price to Book Value is a metric used to evaluate the health of a company based on its share price. According to Ghitmani (2012) and Sampurnaningsih et al (2022), the formula for calculating price to book value is as follows:

$$PBV = \frac{\text{Harga saham per lembar}}{\text{Nilai buku per lembar saham}}$$

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2.1 Value Relevance of Accounting Information

The value relevance of accounting information is the reporting of accounting numbers that have a predictive model related to the market values of securities. (Winarsih 2010). The value relevance of accounting information is the ability of accounting information to explain company value based on market value. The relevance of the value of accounting information in financial reports can be measured by looking at the influence of the numbers contained in the accounting information in explaining investor reactions as reflected in changes in share prices. The value relevance of accounting information is used to see whether accounting information is used by investors in considerations before making investment decisions. Random walk model surprise profits can use the formula:

\[ LBKit = \frac{LBt - LB(\text{it-1})}{LB(it-1)} \]

2.2 Investment decision

Investment decisions are management policies in using existing company funds on assets that are expected to provide profits in the future. (Nelwan and Tulung 2018). According to Fridanana and Asandimitra (2020), an investment decision is a choice made to collect income from an asset to gain profits in the future. Investment Decision, namely the combination of assets owned and investment choices in the future with a positive net present value. IOS cannot be observed directly, so it uses a proxy in its calculations. According to Hasnawati, investment-based IOS proxies show a high level of activity, which can be calculated using the following formula:

\[ \text{Investment Opportunity Set (IOS)} = \frac{\text{Pertumbuhan aktiva}}{\text{Total aktiva}} \]

2.3 Inflation

According to Sukirno (2010) provides an understanding of the inflation rate as (percentage increase in price increases) which differs from one period to another, and also differs from one country to another. The inflation rate is low, reaching under 2 or 3 percent, moderate inflation reaches 4-10 percent, and very serious inflation reaches several tens or several hundred percent in a year. The inflation rate in Indonesia has fluctuated, which has resulted in people’s purchasing power decreasing. For companies, this increases company costs in the form of an impact on decreasing profitability and company value which also decreases. (Sartika and Choiriyah 2019).

\[ \text{Inflation} = \frac{(\text{IHK1} - \text{IHKO})}{\text{IHKO}} \times 100\% \]

2.4 Dividend Policy

Dividend policy according to Wiyono and Kusuma (2017:74), is the result of business activities carried out by management which aims to seek profits through the effectiveness of the activities carried out and efforts to finance efficiency. Dividends are a form of return expected by investors besides capital gains. Dividend policy can be reflected in measuring the company’s dividend payout ratio. (Puspitaningtyas 2017). Dividend policy is confirmed in the form of Dividend Payout Ratio (DPR). According to Brigham and Houston (2010), the dividend payout ratio is the percentage of profits paid to shareholders in the form of cash calculated using the Dividend Payout Ratio formula.

\[ \text{DPR} = \frac{\text{Dividen per saham}}{\text{Laba per saham}} \]

2.5 Conceptual Frameworks
2.6 Research Hypothesis

The conceptual framework that has been described means that the research hypothesis is formulated as follows:
1. The relevance of the value of accounting information has an influence on company value in banking companies in 2016-2020
2. Investment decisions have an influence on company value in banking companies in 2016-2020
3. The relevance of the value of accounting information has an influence on inflation in banking companies in 2016-2020
4. Investment decisions have an influence on inflation in banking companies in 2016-2020
5. Dividend Policy has an influence on Company Value in Banking Companies in 2016-2020
6. Dividend Policy has an influence on Inflation in Banking Companies in 2016-2020

III. Research Methods

3.1 Research Methods

a. Research Approach

Quantitative research compiled from banking financial reports listed on the Indonesia Stock Exchange from 2016 to 2020 is the methodology used in this research. Quantitative research methods, according to Sugiyono(2020:14), is a research method based on the philosophy of positivism (based on empiricism) which is used to research certain populations or samples, sampling techniques are generally carried out purposively, data collection uses objective research instruments, and data analysis is quantitative or statistical, with The aim is to test the established hypothesis.

b. Types and Nature of Research

This research uses associative research methodology. According to Sugiyono(2020:65) Associative research is the development of research topics that ask about the relationship between two or more variables. This research is to investigate the relationships used to explain the relevance of the value of accounting information, investment decisions on company value and inflation with dividend policy as an intervening variable.

To answer the problem formulation, the research carried out is deductive research which applies concepts or theories that can be articulated into hypotheses. After that, testing was carried out by collecting data. The data that has been obtained is then studied quantitatively using descriptive statistics.
This research was conducted on banking companies listed on the Indonesia Stock Exchange (BEI) from 2016 to 2020 by accessing data via the official website of the Indonesia Stock Exchange (BEI) (www.idx.co.id)

3.3 Population and Sample

Population according to Hadari Nawawi (2005:150) is the entire research object consisting of individuals, objects, animals, plants, symptoms, test scores, or events as data sources that have certain characteristics in a study. In this research, the population consists of all banking companies listed on the Indonesian Stock Exchange (BEI) submitting financial reports consistently from 2016 to 2020. The research sample consists of the entire population of 45 companies.

3.4 Types and Sources of Research Data

This research uses secondary data, according to Sugiyono (2020:65), secondary data is a data source that is not obtained directly by the data collector, either through other people or documents. Secondary data sources are complementary data sources that complete the information required by primary data. Secondary data for this research was obtained from the official BEI website, www.idx.co.id in the form of financial reports of industrial companies.

3.5 Research Data Analysis Model

a. Path Analysis (path analysis)

Path analysis is part of the results of multiple regression analysis which is used to analyze causal relationships between variables. How the independent variable has an influence on the dependent variable through an intermediary, namely the intervening variable, and how the variables can influence either directly or indirectly. According to Kuncoro (2013:116) The benefit of path analysis is the expansion of simple or multiple regression equations that require a network of variables involving more than one equation, using SPSS software, 25 for Windows. Path analysis will estimate the causal influence between variables and the position of each variable in the direct or indirect path. The significance of the model is seen in the beta coefficient (β) which is significant for the path.

b. Testing the total coefficient of determination model (R2m)

The total diversity of data that can be explained by the model is measured using the formula
\[ R_{2m} = 1 - (Pe_1)^2 (Pe_2)^2 \]
\[ Pe_i = (1 - R_{2i}) \]

R2m = coefficient of determination (R2)
= interpretation of R2m is the same as interpretation of the coefficient of determination (R2) in regression analysis.

c. Trimming theory

Based on trimming theory, paths that are not significant are discarded, so that a model is obtained that is supported by empirical data. The model is in the form of a path diagram based on trimming theory.

d. Connecting lines

1. Direct effect (Direct Effect or DE)
a. The influence of the variable value relevance of accounting information (X1) on company value (Y1) DEX1Y1 = X1 > Y1
b. Influence of investment decision variables (X2) on company value (Y1) DEX2Y1 = X2 > Y1

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c. The influence of the value relevance variable of accounting information (X1) on inflation (Y2) \( \text{DEX1Y2} = X1 > Y2 \)
d. The influence of investment decision variables (X2) on inflation (Y2) \( \text{DEX2Y2} = X2 > Y2 \)
e. The influence of the dividend policy variable (Z1) on company value (Y2) \( \text{DEZ1Y1} = X1 > Y1 \)
f. The influence of the dividend policy variable (Z1) on inflation (Y2) \( \text{DEZ1Y2} = Z1 > Y2 \)

d. The influence of investment decision variables (X2) on inflation (Y2) \( \text{DEX2Y2} = X2 > Y2 \)

e. The influence of the dividend policy variable (Z1) on company value (Y2) \( \text{DEZ1Y1} = X1 > Y1 \)
f. The influence of the dividend policy variable (Z1) on inflation (Y2) \( \text{DEZ1Y2} = Z1 > Y2 \)

2. Indirect Effect (Indirect Effect or IE)

a. The influence of the variable value relevance of accounting information (X1) on company value (Y1) through dividend policy (Z1) \( \text{IEX1Y1Z1} = X1 > Z1 > Y1 \)
b. The influence of investment decision variables (X2) on company value (Y1) through dividend policy (Z1) \( \text{IEX1Y1Z1} = X2 > Z1 > Y1 \)
c. The influence of the variable value relevance of accounting information (X1) on inflation (Y2) through dividend policy (Z1) \( \text{IEX1Y2Z1} = X1 > Z1 > Y2 \)
d. The influence of investment decision variables (X2) on inflation (Y2) through dividend policy (Z1) \( \text{IEX1Y2Z1} = X2 > Z1 > Y2 \)

3. Total influence

The total influence is the sum of the direct influence (Direct Effect) plus the indirect influence (Indirect Effect), calculated in the following way:

a. Direct influence \( X1 > Y \)

\( \text{Deyx1} = X1 > Y \), by looking at the results of (Beta Coef.)

b. Indirect influence of \( X1 \) on \( Y \) through \( Z \)

\( \text{Ieyzx1} = X1 > Z > Y \), is the product of Coef. Beta influence of \( X1 \) with \( Z \) on \( Y \).

Then the result of the direct influence \( \text{Deyx1} = X1 > Y \), plus \( \text{Ieyzx1} = X1 > Z > Y \), then the result is the total influence.

3.6 Data analysis technique

Research data analysis techniques using classical assumption tests, coefficient of determination tests and research hypothesis tests.

a. Classic assumption test

The classical assumption test is used to determine whether the regression estimation results are free from autocorrelation, multicollinearity and heteroscedasticity. A regression model can be used for estimation if it meets the BLUE requirements, namely that the data is normally distributed, there is no multicollinearity, heteroscedasticity or autocorrelation, and the data is normally distributed.

1. Normality test

The normality test aims to test whether in the regression model, the confounding or residual variables have a normal distribution. There are two ways to detect residuals that have a normal distribution, namely graphic analysis and the Jarque-Bera statistical test.

2. Multicollinearity Test

The multicollinearity test aims to test whether there is a correlation between independent or independent variables. According to Ghozali (2018), the purpose of the multicollinearity test is to test whether the regression model finds a correlation between the independent variables.

3. Heteroscedasticity Test

The heteroscedasticity test to test whether heteroscedasticity occurs or not is seen from the value of the Spearman Rank correlation coefficient between each independent variable and the confounding variable. If the probability value (sig) is \( > 0.05 \) then heteroscedasticity does not occur.

4. Autocorrelation Test
The autocorrelation test aims to test whether in a linear regression model there is a correlation between confounding errors in the current period (t) and confounding errors in the previous period (t-1). Autocorrelation arises because successive observations over time are related to each other because residuals (nuisance errors) do not vary from one observation to another.

b. Coefficient of Determination

The coefficient of determination (R2) measures how closely the regression line fits the actual data (goodness of fit). This coefficient of determination shows the proportion of the total variance of the dependent variable Y that can be explained by the independent variables in the regression line. The range of R2 values is between 0 and 1 (R2). The larger R2, the more accurate the findings from the regression model, and the smaller R2, the fewer independent variables that can explain the dependent variable.

c. Research Hypothesis Testing

1. Simultaneous regression test (F test)
   According to Ferdinand (2014:142) the F test is carried out to see the influence of the independent (free) variables together on the dependent (dependent) variable.

2. Partial regression test (t test)
   According to Ghozali (2016:88) partial significant test (t test) or individual test is used to partially test the influence of each independent variable used in this research on the dependent variable.

IV. Results and Discussion

4.1 Data analysis method

The descriptive analysis of this research is to collect, analyze and determine developments by presenting data from the value relevance components of accounting information, investment decisions, company value, inflation and dividend policy in all banking companies listed on the Indonesia Stock Exchange (BEI) totaling 7 companies for the 2016 period. -2020. The following are the results of descriptive statistical testing:

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value Relevance</td>
<td>35</td>
<td>209262.00</td>
<td>34413824.00</td>
<td>13255648.571</td>
<td>11522943,10312</td>
</tr>
<tr>
<td>Investment decision</td>
<td>35</td>
<td>.01</td>
<td>.11</td>
<td>.0071</td>
<td>.01930</td>
</tr>
<tr>
<td>Dividend Policy</td>
<td>35</td>
<td>.00</td>
<td>3170.78</td>
<td>556.8699</td>
<td>1101.56728</td>
</tr>
<tr>
<td>Company Value Dividends</td>
<td>35</td>
<td>6.71</td>
<td>5119.89</td>
<td>1245.1467</td>
<td>1203.32926</td>
</tr>
<tr>
<td>Inflation</td>
<td>35</td>
<td>.12</td>
<td>.24</td>
<td>.0652</td>
<td>.08707</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>35</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Secondary data processed by SPSS version 25

1. Value Relevance of Accounting Information

The results of descriptive statistical testing show that the value relevance variable of
accounting information has a minimum value of 209262.00. The maximum value is 34413824.00. The value relevance variable of accounting information has an average (mean) value of 13255648.5714 and a standard deviation value of 11522943.1031.

2. Investation decision

The results of descriptive statistical testing show that the investment decision variable has a minimum value of -0.00. The maximum value is 0.1. The investment decision variable has an average (mean) value of 0.0071 and a standard deviation value of 0.1930.

3. Dividend Policy

The results of descriptive statistical tests show that the dividend policy variable has a minimum value of 0.00. The maximum value is 3170.78. The dividend policy variable has an average (mean) value of 556.8699 and a standard deviation value of 1101.5672.

4. Company Value Dividends

The results of descriptive statistical tests show that the company value variable has a minimum value of 6.71. The maximum value is 5119.89. The company value variable has an average (mean) value of 1245.1467 and a standard deviation value of 1203.3292.

5. Inflation

The results of descriptive statistical tests show that the inflation variable has a minimum value of -0.12. The maximum value is 3170.78. The inflation variable has an average (mean) value of 0.0652 and a standard deviation value of 0.0870.

4.2 Classic assumption test

The classical assumption tests used are the normality test, multicollinearity test, homoscedasticity test and auto correlation test.

a. Normality test

The method used to test normality is by using the Kolmogorov-Smirnov test, there is a standard residual value from the results of the regression equation.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Statistical Tests</th>
<th>Sig 2 tailed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value Relevance - Investment Decisions - Firm Value Dividends (Y1)</td>
<td>0.116</td>
<td>0.200</td>
</tr>
<tr>
<td>Value Relevance - Investment Decisions – Inflation (Y2)</td>
<td>0.071</td>
<td>0.200</td>
</tr>
<tr>
<td>Value Relevance - Investment Decisions – Dividend Policy (Z)</td>
<td>0.116</td>
<td>1.200</td>
</tr>
</tbody>
</table>

*Table 2. One Sample Kolgomorov Smirnov Test*

Source: Secondary data processed by SPSS version 25

Based on table 3.2, it can be seen that the significance value is 0.200, which is greater than 0.05, which means that the research data is normally distributed, so it can be concluded that the regression model with dependent variables Y1, Y2 and Z in this study can meet the normality test estimates.

b. Multicollinearity Test

To determine whether there are symptoms of multicollinearity, it can be detected from the value of the VIT (variance inflation factor). If the VIF value is smaller than 10 then multicollinearity does not occur. The following are the results of the multicollinearity test that was carried out.
Table 3. Multicollinearity Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Tolerance</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value Relevance - Investment Decisions - Firm Value Dividends (Y1)</td>
<td>0.999</td>
<td>1,001</td>
</tr>
<tr>
<td>Value Relevance - Investment Decisions – Inflation (Y2)</td>
<td>0.999</td>
<td>1,001</td>
</tr>
<tr>
<td>Value Relevance - Investment Decisions – Dividend Policy (Z)</td>
<td>0.999</td>
<td>1,001</td>
</tr>
</tbody>
</table>

Source: Secondary data processed by SPSS version 25

The results of the multicollinearity test can be seen if all the independent variables in the study have a variance inflation factor (VIF) value of less than 10 and a tolerance value of more than 0.1. So it can be concluded that all independent variables for the dependent variables Y1, Y2 and the intervening variable Z in this study are free from multicollinearity and can be continued for further testing.

c. Heteroskedasticity Test

Heteroscedasticity was tested using the Spearman Rank correlation coefficient test, namely correlating the absolute residual from the regression results with an independent variable. The following are the results of the heteroscedasticity test that was carried out.

Table 4. Heteroscedasticity Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Sig</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value Relevance - Investment Decisions - Firm Value Dividends (Y1)</td>
<td>0.202</td>
<td>0.573</td>
</tr>
<tr>
<td>Value Relevance - Investment Decisions – Inflation (Y2)</td>
<td>0.105</td>
<td>0.676</td>
</tr>
<tr>
<td>Value Relevance - Investment Decisions – Dividend Policy (Z)</td>
<td>0.922</td>
<td>0.140</td>
</tr>
</tbody>
</table>

Source: Secondary data processed by SPSS version 25

Based on the table above, it shows that the independent variables for the dependent variables Y1, Y2 and the intervening variable Z that were tested each have a significance value greater than 0.05 or 5%, which means that they do not experience heteroscedasticity but are called homoscedasticity, so they can be continued in the next test.

d. Auto Correlation Test

Results autocorrelation testing using the Durbin Walston test as the following method.

Table 5. Durbin Watson Auto Correlation Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Durbin Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value Relevance - Investment Decisions - Firm Value Dividends (Y1)</td>
<td>0.884</td>
</tr>
<tr>
<td>Value Relevance - Investment Decisions – Inflation (Y2)</td>
<td>1.734</td>
</tr>
<tr>
<td>Value Relevance - Investment Decisions – Dividend Policy (Z)</td>
<td>0.927</td>
</tr>
</tbody>
</table>

Source: Secondary data processed by SPSS version 25
Based on the table above, it shows that the Durbin-Watson (DW) value in equation model 1, namely the relationship between the independent variables X1 and the autocorrelation is not met.

### 4.2 Coefficient of Determination (R2)

Following are the results of testing the coefficient of determination.

<table>
<thead>
<tr>
<th>Dividend Company Value (Y1)</th>
<th>Value Relevance - Investment Decisions</th>
<th>Value Relevance - Investment Decisions</th>
<th>Value Relevance - Investment Decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend Company Value (Y1)</td>
<td>0.221</td>
<td>0.286</td>
<td>0.286</td>
</tr>
<tr>
<td>Value Relevance - Investment Decisions</td>
<td>0.173</td>
<td>0.241</td>
<td>0.241</td>
</tr>
<tr>
<td>– Inflation (Y2)</td>
<td>– Inflation (Y2)</td>
<td>– Inflation (Y2)</td>
<td>– Inflation (Y2)</td>
</tr>
<tr>
<td>Value Relevance - Investment Decisions</td>
<td>0.221</td>
<td>0.286</td>
<td>0.286</td>
</tr>
<tr>
<td>– Dividend Policy (Z)</td>
<td>– Dividend Policy (Z)</td>
<td>– Dividend Policy (Z)</td>
<td>– Dividend Policy (Z)</td>
</tr>
</tbody>
</table>

Source: Secondary data processed by SPSS version 25

Based on the table above, it shows that the R2 value for the influence of the independent variables X1 and X2 on the dependent Y1 is 0.469 or 46.9%. Based on the table above, it shows that the R2 value for the influence of the independent variables X1 and X2 on the dependent Y2 is 0.221 or 22.1%. Based on the table above, it shows that the R2 value for the influence of the independent variables X1 and X2 on intervening Z is 0.286 or 28.6%.

Unluckyk models consisting of two or more dependent variables are tested for total R2 or what is called Q-Square (Q2). The following are the results of the Q-Square calculation in this research:

$$Q^2 = 1 - \left(1 - R^2\right)\left(1 - R^2\right)$$

$$Q^2 = 1 - \left(1 - 0.436\right)\left(1 - 0.221\right)\left(1 - 0.286\right)$$

$$Q^2 = 1 - (0.564)(0.779)(0.714)$$

$$Q^2 = 0.313700184$$

$$Q^2 = 0.6866299816$$

Based on the Q2 test above, the predictive relevance value is 0.6866299816 or 68.66%. This condition indicates that the model is considered to be valid, because the diversity of the data can be explained by the model as large as 618.66%. Meanwhile, the remainder of 31.34% is explained by traffic variables that have not yet been explained in the research model in the error model.

### 4.3 Path Analysis

Path analysis is a technique for analyzing cause and effect relationships that occur in multiple regressions if the independent variable influences the dependent variable not only directly, but also indirectly. In path analysis there are path coefficients. The path coefficient
shows the strength of the influence of the independent variable on the dependent.

4.4 Research Hypothesis Testing

Hypothesis testing is carried out to determine the effect of the independent variable on the dependent variable by looking at the magnitude of the significance value and the t-count value compared to the t-table. The following are the results of the hypothesis test:

a. Direct influence

<table>
<thead>
<tr>
<th>No</th>
<th>Research Model</th>
<th>Coefficient Path (Beta)</th>
<th>t-Count</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Value Relevance &gt; Company Value Dividends</td>
<td>-0.685</td>
<td>-5.319</td>
<td>0.000</td>
</tr>
<tr>
<td>2</td>
<td>Investment Decisions &gt; Company Value Dividends</td>
<td>-0.301</td>
<td>-0.301</td>
<td>0.766</td>
</tr>
<tr>
<td>3</td>
<td>Value Relevance &gt; Inflation</td>
<td>0.117</td>
<td>0.117</td>
<td>0.458</td>
</tr>
<tr>
<td>4</td>
<td>Investment Decisions &gt; Inflation</td>
<td>0.460</td>
<td>2.947</td>
<td>0.006</td>
</tr>
<tr>
<td>5</td>
<td>Value Relevance &gt; Dividend Policy</td>
<td>-0.517</td>
<td>-0.517</td>
<td>0.002</td>
</tr>
<tr>
<td>6</td>
<td>Investment Decisions &gt; Dividend Policy</td>
<td>-0.158</td>
<td>-1.055</td>
<td>0.299</td>
</tr>
<tr>
<td>7</td>
<td>Dividend Policy &gt; Company Value Dividends</td>
<td>0.280</td>
<td>1.675</td>
<td>0.103</td>
</tr>
<tr>
<td>8</td>
<td>Dividend Policy &gt; Inflation</td>
<td>-0.462</td>
<td>-2.995</td>
<td>0.005</td>
</tr>
</tbody>
</table>

Source: Secondary data processed by SPSS version 25

Based on the table above, the following research hypothesis testing is as follows:

a. The Influence of the Value Relevance of Accounting Information on Company Value
With a path coefficient of -0.685, this shows that there is a unidirectional influence between the two because the relationship between the two is negative. The significance value of 0.000 is smaller than 0.05 (0.000 < 0.05), and the calculated t value is -5.319 less than the t-table of 1.690 (-5.319 < 1.690).

b. The Influence of Investment Decisions on Company Value
With a path coefficient value of -0.301, this shows that there is a unidirectional influence between the two because the relationship between the two is negative. The significance value of 0.766 is greater than 0.05 (0.766 > 0.05), and the calculated t value is -0.301 less than the t-table of 1.690 (-0.301 < 1.690).

c. The Influence of the Value Relevance of Accounting Information on Inflation
With a path coefficient value of 0.117, this shows that there is a unidirectional influence between the two because the relationship between the two is positive. The significance value of 0.458 is greater than 0.05 (0.458 > 0.05), and the calculated t value of 1.117 is less than the t-table of 1.690 (1.117 < 1.690).

d. The Influence of Investment Decisions on Inflation
With a path coefficient value of 0.460, this shows that there is a unidirectional influence between the two because the relationship between the two is positive. The significance value of 0.006 is smaller than 0.05 (0.006 < 0.05), and the calculated t value is 2.947 more than the t-table of 1.690 (2.947 > 1.690).

e. The Influence of the Value Relevance of Accounting Information on Dividend Policy
With a path coefficient value of -0.517, this shows that there is a unidirectional influence between the two because the relationship between the two is negative. The significance value of 0.002 is smaller than 0.05 (0.002 < 0.05), and the calculated t value is -0.517 less than the t-table of 1.690 (-0.517 < 1.690).

f. The Influence of Investment Decisions on Dividend Policy
With a path coefficient value of -0.158, this shows that there is a unidirectional influence between the two because the relationship between the two is negative. The significance value of 0.299 is greater than 0.05 (0.299 > 0.05), and the calculated t value is -1.055 less than the t-table of 1.690 (-1.055 < 1.690).

g. The Effect of Dividend Policy on Company Value
With a path coefficient value of 0.280, this shows that there is a unidirectional influence between the two because the relationship between the two is positive. The significance value of 0.103 is greater than 0.05 (0.103 > 0.05), and the calculated t value of 1.675 is less than the t-table of 1.690 (1.675 < 1.690).

h. The Effect of Dividend Policy on Inflation
With a path coefficient value of -0.462, this shows that there is a unidirectional influence between the two because the relationship between the two is positive. The significance value of 0.005 is smaller than 0.05 (0.005 < 0.05), and the calculated t value is -2.995 less than the t-table of 1.690 (-2.995 < 1.690).

b. Indirect influence

To find out whether or not there is an indirect influence on the independent variable on the intervening variable on the results of the influence of the intervening variable on the dependent variable.

### Table 8. Indirect Effect Test Results

<table>
<thead>
<tr>
<th>No</th>
<th>Research Model</th>
<th>Coefficient Path (Beta)</th>
<th>t-Count</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Value Relevance of Accounting Information &gt; Company Value &gt; Dividend Policy</td>
<td>-0.740</td>
<td>-4.860</td>
<td>0.000</td>
</tr>
<tr>
<td>2</td>
<td>Investment Decisions &gt; Company Value &gt; Dividend Policy</td>
<td>-0.055</td>
<td>-0.419</td>
<td>0.678</td>
</tr>
<tr>
<td>3</td>
<td>Value Relevance of Accounting Information &gt; Inflation &gt; Dividend Policy</td>
<td>-0.128</td>
<td>-0.772</td>
<td>0.446</td>
</tr>
<tr>
<td>4</td>
<td>Investment Decisions &gt; Inflation &gt; Dividend Policy</td>
<td>0.385</td>
<td>-2.840</td>
<td>0.012</td>
</tr>
</tbody>
</table>

Source: Secondary data processed by SPSS version 25

1) The Influence of the Value Relevance of Accounting Information on Company Value through Dividend Policy

Path coefficient = X1 > Z1 > Y1 = (-0.740 x 0.280) = -0.2072 Significance =
2) The Influence of Investment Decisions on Company Value with Dividend Policy Path coefficient = X2 > Z1 > Y1 = (-0.055 x 0.280) = -0.0154 Significance =
3) The Influence of the Value Relevance of Accounting Information on Inflation with Dividend Policy Path coefficient= X1 > Z1 > Y2 = (-0.128 x (-0.462)) = 0.0592 Significance =
4) The Influence of Investment Decisions on Inflation with Dividend Policy Path coefficient = X2 > Z1 > Y2 = (0.385 x (-0.462)) = -0.1778 Significance =

Based on the results of the analysis and table above, the following is the hypothesis testing for this research:

a. The Influence of the Value Relevance of Accounting Information on Company Value through Dividend Policy as an intervening variable

The results of testing the influence of the value relevance of accounting information on company value through dividend policy show a path coefficient value of -0.2072, thus indicating that there is a unidirectional influence. The significance value is 0.000, which means less than 0.05 (0.000 < 0.05), so hypothesis 9 is rejected, The value relevance of accounting information has a negative and significant influence on company value through dividend policy.

b. The Influence of Investment Decisions on Company Value with Dividend Policy as an intervening variable

The results of testing the influence of investment decisions on company value through dividend policy show a path coefficient value of -0.0154, thus indicating that there is a unidirectional influence. The significance value is 0.0698, which means more than 0.05 (0.0698 > 0.05), so hypothesis 10 is rejected, investment decisions have a positive and insignificant influence on company value through dividend policy.

c. The Influence of the Value Relevance of Accounting Information on Inflation with Dividend Policy as an intervening variable

The results of testing the influence of the value relevance of accounting information on inflation through dividend policy show a path coefficient value of 0.0592, thus indicating that there is a unidirectional influence. The significance value is 0.0023, which means less than 0.05 (0.0023 < 0.05), so hypothesis 11 is accepted, the relevance of the value of accounting information has a positive and significant influence on inflation through dividend policy.

d. The Effect of Investment Decisions on Inflation with Dividend Policy as an intervening variable

The results of testing the influence of investment decisions on inflation through dividend policy show a path coefficient value of -0.1778, thus indicating that there is a unidirectional influence. The significance value is 0.0005, which means less than 0.05 (0.0005 < 0.05), so hypothesis 12 is rejected, investment decisions have a negative and significant influence on inflation through dividend policy.

4.5 Discussion

Based on the results of tests that have been carried out previously, this section will explain in more depth the discussion of each variable, the influence between independent variables.

The results of the discussion from the research are displayed in the table as follows:

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Model Study</th>
<th>t-Count</th>
<th>Significance</th>
<th>Influence</th>
<th>Sig.</th>
<th>Decision Hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Findings from an examination of the value relevance of accounting information indicate an impact which is visible and statistically significant on firm value, which leads to the rejection of hypothesis H1. This is in line with research findings conducted by Anisa (2021). Based on the findings of this research, it can be concluded that investors tend to place more emphasis on technical indicators to predict share price fluctuations in the capital market, rather than relying on fundamental analysis components originating from financial reports in determining share purchase options. This assertion is strengthened by the fact that banking is an entity whose shares are widely traded on the Indonesian Stock Exchange and transactions occur continuously. As a result, investors need fast access to information, which can only be obtained through the utilization of technical analysis.

H.2. the Influence of Investment Decisions on Company Value

Empirical findings show that investment decisions have a detrimental and statistically significant impact on firm value, thus leading to the rejection of hypothesis H2. The findings of this research indicate that investment decisions do not have any impact on overall company value. These findings are in line with research conducted by Komala et al. (2021), shows that this has no impact on investment decisions. This is because the composition of company assets according to the perception of stakeholders, especially investors who have ownership in the company, does not pose a threat to the company's overall financial health. Therefore, this is considered to have no effect on fluctuations in company value, especially as measured by the price to earnings ratio. This scenario suggests that the impact of increasing investment decisions of shareholders or external investors on firm value is not always certain, as

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### Table

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Relationship</th>
<th>Coefficient</th>
<th>P-value</th>
<th>Significance</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>X1 &gt; Y1</td>
<td>-5,319</td>
<td>0,000</td>
<td>Negative</td>
<td>Sig.</td>
</tr>
<tr>
<td>H2</td>
<td>X2 &gt; Y1</td>
<td>-0.301</td>
<td>0.766</td>
<td>Negative</td>
<td>No Sig.</td>
</tr>
<tr>
<td>H3</td>
<td>X1 &gt; Y2</td>
<td>1,117</td>
<td>0.458</td>
<td>Positive</td>
<td>No Sig.</td>
</tr>
<tr>
<td>H4</td>
<td>X2 &gt; Y2</td>
<td>2,947</td>
<td>0.006</td>
<td>Positive</td>
<td>Sig.</td>
</tr>
<tr>
<td>H5</td>
<td>X1 &gt; Z1</td>
<td>-0.517</td>
<td>0.002</td>
<td>Negative</td>
<td>Sig.</td>
</tr>
<tr>
<td>H6</td>
<td>X2 &gt; Z1</td>
<td>-1,055</td>
<td>0.299</td>
<td>Negative</td>
<td>No Sig.</td>
</tr>
<tr>
<td>H7</td>
<td>Z1 &gt; Y1</td>
<td>1,675</td>
<td>0.103</td>
<td>Positive</td>
<td>No Sig.</td>
</tr>
<tr>
<td>H8</td>
<td>Z1 &gt; Y2</td>
<td>-2,995</td>
<td>0.005</td>
<td>Negative</td>
<td>Sig.</td>
</tr>
<tr>
<td>H1</td>
<td>X1 &gt; Z1 &gt; Y1</td>
<td>-4,860</td>
<td>0,000</td>
<td>Negative</td>
<td>Sig.</td>
</tr>
<tr>
<td>H2</td>
<td>X2 &gt; Z1 &gt; Y1</td>
<td>-0.419</td>
<td>0.678</td>
<td>Negative</td>
<td>No Sig.</td>
</tr>
<tr>
<td>H3</td>
<td>X1 &gt; Z1 &gt; Y2</td>
<td>-0.772</td>
<td>0.446</td>
<td>Positive</td>
<td>No Sig.</td>
</tr>
<tr>
<td>H4</td>
<td>X2 &gt; Z1 &gt; Y2</td>
<td>-2,840</td>
<td>0.012</td>
<td>Negative</td>
<td>Sig.</td>
</tr>
</tbody>
</table>

**Source:** Secondary data processed by SPSS version 25
uncertainty regarding future outcomes may influence investment decisions and therefore change the value of the business.

H.3. the Influence of the Value Relevance of Accounting Information on Inflation

The findings from the analysis of the value relevance of accounting information show a positive but statistically negligible impact on inflation, thus leading to the rejection of hypothesis H3. The findings of this research are in line with research conducted by Kurniatile (2018) which states that inflation has a negative impact on the value relevance of accounting information. This shows that the retail industry is not much affected by inflation. The inflation experienced during the 2016-2020 period has the potential to encourage the economy to become stronger by encouraging an increase in national income and increasing people's enthusiasm for work, savings and investment. There is little evidence to suggest that changes in inflation rates have a significant impact on investor behavior or stock values over any period of time. A significant increase in economic growth is expected to cause an increase in share value. Apart from the influence of economic growth, capital market performance is also influenced by interest rates and inflation.

H.4. the Influence of Investment Decisions on Inflation

Empirical findings show that there is a positive and statistically significant relationship between investment decisions and inflation, thus supporting the acceptance of hypothesis H4.

The findings of this research are in line with previous research conducted by Hidayat et al. (2023), which states that inflation has a positive and statistically significant influence on investment decisions. The coefficient value of 0.140 indicates a positive direction, and the significant value of 0.029 (<0.05) further confirms the existence of a fairly large positive influence. The findings of this study indicate a positive correlation between inflation rates and investment decisions, indicating that higher inflation rates tend to encourage more investment, while lower inflation rates tend to result in reduced investment. High inflation rates have the potential to provide pressure on share prices in the capital market. Conversely, a low inflation rate can lead to a slow rate of economic growth, which in turn can cause gradual fluctuations in stock prices. Inflation is a macroeconomic element that can have positive and negative implications for a company's profitability.

H.5. The Influence of the Value Relevance of Accounting Information on Dividend Policy

The findings from the empirical analysis of the value relevance of accounting information show a statistically significant and negative impact on dividend policy, thus leading to the rejection of hypothesis H5. The findings of this research show a negative trend as evidenced by the regression coefficient value of -0.286. The findings presented are in line with research conducted by Nurhayati and Kartika (2020). The correlation between increasing dividend value and increasing business value is not always observed. Determining the value of a company is only based on its ability to generate profits from its assets or investment strategy.

The impact of dividend policy on company value is negligible.

H.6. The Influence of Investment Decisions on Dividend Policy

The findings from the test results show that investment decisions do not have a major influence on dividend policy, causing hypothesis H6 to be rejected. The findings of this study are different from research conducted by Salama et al. (2019) which states that investment decisions and funding decisions have no impact on the valuation of a company, but dividend policy influences the valuation of a company in both positive and negative directions.

H.7. the Effect of Dividend Policy on Company Value

Empirical findings show that the impact of dividend policy decisions on firm value is positive but statistically negligible, thus causing the rejection of hypothesis H7. The findings of this research are in line with research conducted by Nurdiana and Retnani (2019) which states that dividend policy as measured by the Dividend Payout Ratio (DPR) has a limited impact on company valuation. Based on research conducted by Akbar and Fahmi (2020), it was found
that a company's dividend policy has a favorable impact on its value, but this impact is considered not statistically significant. The findings of this research show that there is not always a positive correlation between an increase in dividend value and a subsequent increase in business value.

**H.8. the Effect of Dividend Policy on Inflation**

Analysis of test findings shows that the impact of dividend policy on inflation is positive but not statistically significant. Consequently, we reject the null hypothesis H8. The findings of this research are in line with research conducted by Sari et al. (2022) which states that inflation does not have a major impact on dividend policy. Inflation is a persistent phenomenon characterized by a general increase in the prices of goods. If there is severe inflation, current economic conditions may show sluggishness, thereby causing a decrease in individuals' propensity to save or invest. The impact on the dividend payout ratio depends on the severity of inflation. Inflation is a persistent phenomenon characterized by a general upward trend in product prices. Of course, this will have an impact on increasing production costs in a corporation.

**H.9. The Influence of the Value Relevance of Accounting Information on Company Value through Dividend Policy as an intervening variable**

Based on the results of testing the value relevance of accounting information, it has a negative and significant influence on company value through dividend policy and states that H9 is rejected. The magnitude of the direct influence of the value relevance of accounting information on company value in the test is negative and significant or greater compared to the magnitude of the indirect effect of the relevance of the value of accounting information on company value through dividend policy, which is negative and significant. This indicates that with direct testing through the mediating variable dividend policy, it will increase the influence of the relevance of the value of accounting information on company value on inflation.

**H.10. the Influence of Investment Decisions on Company Value through Dividend Policy**

Based on the test results, investment decisions have a positive and insignificant influence on company value through dividend policy and states that H10 is rejected. The magnitude of the direct influence of investment decisions on company value in the test is negative and not significant or equivalent when compared with the magnitude of the indirect influence of investment decisions on company value against inflation through dividend policy, which is negative and not significant. This indicates that without direct testing through the mediating variable dividend policy, it will increase the influence of the value relevance of accounting information on inflation.

**H.11. The Effect of Value Relevance of Accounting Information on Inflation through Dividend Policy**

Based on the results of testing the value relevance of accounting information, it has a positive and significant influence on inflation through dividend policy and states that H11 is accepted. The magnitude of the direct influence of the relevance of the value of accounting information on inflation is greater than the magnitude of the indirect influence of the relevance of the value of accounting information on inflation through dividend policy. The magnitude of the direct influence of the relevance of the value of accounting information on inflation in the test is negative and significant or greater than the magnitude of the indirect influence of the relevance of the value of accounting information on inflation through dividend policy, namely negative and insignificant. This indicates that without direct testing through the mediating variable dividend policy, it will increase the influence of the value relevance of accounting information on inflation.

**H.12 The Influence of Investment Decisions on Inflation through Dividend Policy**

Based on the test results, investment decisions have a negative and significant
influence on inflation through dividend policy and H12 is rejected. The magnitude of the
direct influence of investment decisions on inflation in the test is negative and insignificant or
smaller than the magnitude of the indirect influence of the relevance of the value of
accounting information on inflation through dividend policy, namely negative and significant.
This indicates that without direct testing through the mediating variable investment policy, it
will increase the influence of investment decisions on inflation.

V. Conclusion

The conclusions from the results of this research are as follows.
1. The value relevance of accounting information has a negative and significant effect on
   company value
2. Investment decisions have a negative and insignificant effect on company value
3. The value relevance of accounting information has a positive and insignificant effect on
   inflation
4. Investment decisions have a positive and significant effect on inflation
5. The value relevance of accounting information has a negative and significant effect on
   dividend policy
6. Investment Decisions have a negative and insignificant effect on Dividend Policy
7. Dividend Policy has a positive and insignificant effect on Company Value
8. Dividend policy has a negative and insignificant effect on inflation
9. The relevance of the value of accounting information has a negative and significant effect
   on company value with dividend policy as an intervening variable
10. Investment decisions have a negative and insignificant effect on company value with
    dividend policy as an intervening variable
11. The relevance of the value of accounting information has a positive and significant effect
    on inflation with dividend policy as an intervening variable
12. Investment decisions have a negative and significant effect on inflation with dividend
    policy as an intervening variable.

Suggestion

The suggestions for the results of this research are as follows.
1. For Researcher
   The results of this research are the basis for looking at the influence between The Relevance
   of the Value of Accounting Information, Investment Decisions on Company Value and
   Inflation with Dividend Policy
2. For Company
   It is important to ensure that the accounting information produced is of high quality and
   relevant. By strengthening accounting and reporting practices to produce information that
   is truly relevant and useful for company stakeholders. Companies need to find a balance
   between paying sufficient dividends to meet shareholder expectations and maintaining the
   funds necessary for future investment and growth. Investment decisions are based on
   proper analysis and focus on projects that have the potential to generate added value for
   the company, even though their impact on company value may not be significant. With
   accurate accounting information and considering the impact of inflation in business
   planning it becomes important to deal with changes in the value of money and the risks
   associated with inflation.
References


