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The Role of Inflation in Moderating the Effect of Investment Decision and Capital Structure on Company Value

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ABSTRACT

The purpose of this study is to ascertain and examine how inflation influences capital structure and investment choices in the real estate and property industries. This study employs a quantitative research design and uses secondary data from the Indonesia Stock Exchange (IDX) and the websites of up to 17 different companies throughout the course of three years, beginning in 2020 and ending in 2022. Eviews 13 was used to process the research data. The study's findings demonstrated that capital structure, which was proxied by the long-term debt to equity ratio, and investment decisions, which were proxied by return on investment, had no discernible effects on the price book value of the company. In the meanwhile, choices on investments can be moderated by inflation. on capital structure's impact on a company's worth, and the findings of this study also suggest that inflation may act as a moderator of the impact of investment choices on a company's worth.

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INTRODUCTION

Indonesia experiences consistent economic growth from year to year. Even though it is consistent, economic growth in Indonesia tends to slow down compared to the previous year's period. However, this growth has again exceeded 5 percent since the fourth quartile (Q4) in 2021, which was 5.03%, the second quartile (Q2) in 2022 was 5.46% and the second quartile (Q2) in 2023 was 5. 17%(Budi Darma, 2021) (Central Statistics Agency, 2022). This increase in economic growth is driven by GDP growth from various sectors. One of the sectors that influence the rate of economic growth is the property and real estate sector which distributes GDP by 2.40%.

This distribution of GDP can be beneficial for the sector itself, one of which is increasing investment(Sugiarto, 2019). As with the property and real estate sector, as time goes by, this sector experiences a lot of demand because the population is increasing. This can attract investors to invest in this sector. Reporting from(Central Statistics Agency, 2023)Domestic investment (PMDN) has increased, where in 2020 it was IDR. 413,535.5 M, in 2021 Rp. 447,063.6 M and in 2022 Rp. 552,769 M. Increased investment will provide a positive signal regarding the company's growth in the future, so that the sector's value can be known whether the company is in good condition or not.(Pendria & Efni, 2015). When a corporation can demonstrate the wealth and assets it owns, investors will be more inclined to invest their capital, indicating that the company is in good shape (Sri Astiti & Darmayanti, 2022).Company value is the perspective of an investor on the degree of success of the business, which is connected to the share price. therefore the company's value will rise with a high share price (Ariany Abdillah & Situngkir, 2021). Financial ratios like price to book value (PBV), which can be used to calculate a company's value, are typically used to determine its share price level relative to its book value. The market value to book value of the stock is compared to this PBV ratio (Sriyani & Purwasih, 2022).

Based on(Indonesian Stock Exchange, 2022)It is known that the average PBV in the property and real estate sector has decreased, where in 2021 it decreased by 0.65 and decreased in 2022 to 0.52. A low PBV value means that the share price is undervalued or below the fair price, which indicates a decline in the issuer's quality and performance. And a high share price means that the share price is overvalued or above the fair price, which means this will influence investors' investment decisions.

This investment decision is made to carry out optimal fund management, whether funds come from internal or external to the company(Erviana, 2021)by investing these funds in various financial instruments. The goal is to obtain a level of profit in the future with a certain level of risk that can be managed. This is done so that the company can provide welfare for its shareholders or stakeholders. Meanwhile, Capital Structure describes the level of risk where the higher the capital structure, the greater the risk experienced by the company. Therefore, the selection of funding sources must be carried out with full consideration and caution(Kresno Wibowo et al., 2021).

Research result(Utama & Trisnawati, 2021)shows that investment decisions and capital structure can have an impact on company value. This indicates that investment decisions are able to optimize investment in an effort to obtain profits according to the amount of funds owned. Capital structure describes the use of debt to provide capital for investment. Therefore, investors will know whether risk and return will be balanced just by looking at the company's capital structure(Kurniasih & Ruzikna, 2017). Companies whose debt is increased are seen as companies that are confident they have future prospects because the debt used provides a positive signal which will make investors assess the share price at a higher value than the value stated in the company's financial position. Thus, PBV increases and company value also increases(Susanti et al., 2022).

However, the results of other research(Hamidah & Ramdani, 2023)says that investment decisions and capital structure do not affect company value. This capital structure that has no effect on the value of the company can occur because the risk that will occur will increase as debt increases and will lead the company to bankruptcy. In previous research(Sundawan & Hilmy, 2019)states that investment decisions have a positive but not significant influence on company value. This means that the results obtained from investment decisions cannot change the value of the company.

Therefore, when making investment decisions, you must of course pay attention to various factors, one of which is inflation. If inflation is high, investors will not want to invest their capital because the value of the currency will decrease(Rangkuty et al., 2018). Therefore, when choosing investment instruments, investors need to pay attention to the inflation rate and choose investment instruments that can exceed the inflation rate.

From the background explanation above, the problem formulation can be obtained as follows: Can inflation be a mediator in the influence of investment decisions and capital structure on company value. This research aims to test and analyze the influence of each of these variables on company value.

LITERATURE REVIEW

Signalling Theory

*Signaling theory*can be used by shareholders as a good perspective, where in using this theory, company managers provide information to shareholders. The information obtained will be a signal for investors to look at the company's future. This theory can also be used to assess whether a company's quality is good or bad. Apart from that, information about the quality of the company can be obtained through published financial reports. This can also be used by investors before making an investment(Mayangsari, 2018).

Pecking Order Theory

Theory*Pecking Orders*This explains the company's procedures for funding from low-risk sources. This funding takes the form of funding from within the company originating from retained earnings, based on the company's investment

opportunities to calculate the target payout ratio and to avoid sudden changes in dividends. The company will receive greater cash flow. The company will issue securities if external funding is needed(Puspitasari, 2022).

The Influence of Investment Decisions on Company Value

Investment decisions are a very fundamental factor in the financial aspect of a company. If an investment decision that the company has made is high, the chances of the rate of return will increase.(Nurvianda et al., 2019). This is shown by(Ardatiya et al., 2022)which says that investment decisions have an influence on company value. Investment decisions also play a role in influencing investors to invest because this investment will provide a signal regarding the company's income growth in the future so that it can increase share prices which are an indicator of company value.(Nur Aulia et al., 2020).

H1: Investment decisions affect company value

The Influence of Capital Structure on Company Value

The use of debt in the capital structure will have many benefits. Exchange Theory says that the company's operating profit that these investors will get is more due to the use of debt. So the increase in share value and price is influenced by companies using debt(Krisnando & Novitasari, 2021). Research result(Tunggal & Ngatno, 2018)says that capital structure has an influence on company value. This can be seen based on the influence of long-term debt that many companies use to pay for their assets, the value of the company can increase because investors perceive that a company that uses debt to fund its business means that the company has the ability to increase capacity and finance debt.

H2: Capital Structure affects Company Value

Inflation Moderates Investment Decisions by company Value

Inflation is an external factor for companies that does not yet have the ability to determine which directly influences company value. Because inflation does not occur suddenly, the company must have anticipated it so that it does not have an impact on company value. Unlimited information systems and rapid technological advances make investors able to analyze the economic situation they face well and companies can also implement policies that can improve the welfare of shareholders.(Harnida, 2021).

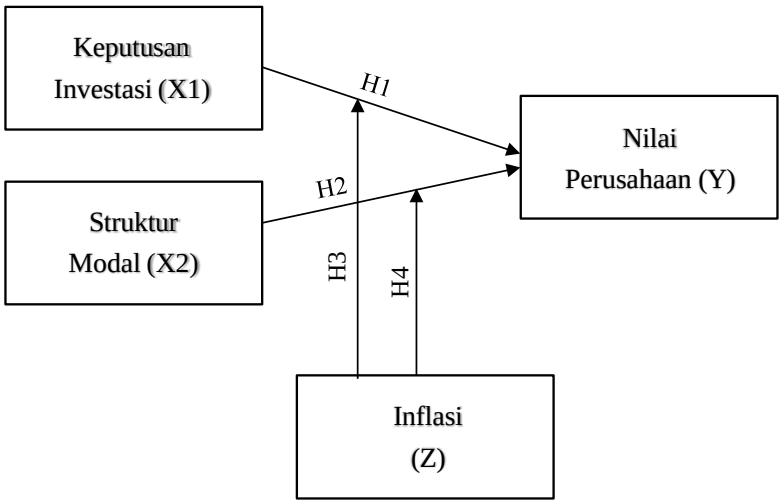
H3: Inflation is able to moderate investment decisions with company value

Inflation Moderates Capital Structure with company Value

Inflation is an economic event that is indicated by consistently increasing prices. For companies, a high inflation rate can benefit the company when paying debts because the value of money becomes lower. So, to pay the debt, some of the money can be saved for other company activities. This smaller capital structure will have a positive effect on the value of the company because a company that pays off debt and does not get involved in payments proves that the company can be responsible for the company's finances. Therefore, investor interest can encourage investors to invest in their shares(Ali Hasan (2018), 2020).

H4: Inflation is able to moderate capital structure and company value.

Figure 1. Research Paradigm



METHODOLOGY

This research uses Associative Causal research with quantitative research methods. Based on(Soegiyono, 2011)explains that the definition of associative causal is that this research states the relationship between two or more variables that have cause and effect. The following are the operational variables in this research:

Operational Variables

Table 1 Operational Variables

Variables	Measuring instrument	Scale
Investment Decision (X1)(Sari et al., 2022)	$ROI = \frac{profit\ for\ the\ year}{Total\ Asset}$	Ratio
Capital Structure (X2)(Misnawati & Prananingrum, 2023)	$LTDER = \frac{long - term\ debt}{Total\ Equity}$	Ratio
Inflation (Z)(Putri et al., 2021)	$IHK = IHKn$	Ratio
Company Value (Y)(Juniarsi et al., 2023)	$PBV = \frac{Market\ Price\ Per\ Share}{Book\ Value\ Per\ Share}$	Ratio

This research was conducted using 85 companies in the property and real estate sector population using a sampling technique, namely purposive sampling. Purposive sampling is a technique for determining samples with

certain instructions(Muri Yusuf, 2017). The following criteria are set to determine the sample, including:

Table 2 Sample Data Criteria

No	Sample Criteria	Did not pass	Get away
1	Property and real estate sector companies listed on the Indonesian Stock Exchange		85
2	Companies that actively trade their shares and there are fluctuations in their share prices	(23)	62
3	Companies that IPO started in 2010	(45)	17
	Number of Samples		17
	Observation Data (17 x 3 Observation Periods)		51

The data used in this research are financial reports of companies in the property and real estate sector for the 2020-2022 period obtained from the Indonesia Stock Exchange (IDX) and the websites of each company. The analysis used is Moderated Regression Analysis (MRA) using EViews 12 software.

The mathematical model of the relationship between variables is as follows:

$Y = a1 + b1x1 + b4x3 + b5x1x3 + e1$

$Y = a2 + b2x2 + b3x3 + b6x2x3 + e2$

If variable x3 is a moderating variable, then the coefficients b5 and b6 must be significant at α (the specified level of significance).

RESEARCH RESULT

Results of Descriptive Statistical Analysis

Table 3 Results of Descriptive Statistical Analysis

	ROI	**LTDTER**	**Inflation**	**PBV**
Maximum	0.1997	2.1117	4.2100	575.1441
Minimum	0.0010	0.0005	1.5600	0.1857
Mean	0.0339	0.2471	2,6000	30.2282
Std.Deviation	0.0398	0.4576	1.1660	115.9944
Observations	51	51	51	51

Source:*Eviews output*13

Panel Data Regression Model Selection Test

based on the Random Effect Model (REM), Fixed Effect Model (FEM), and Common Effect Model (CEM) panel data regression selection models. Therefore, in order to determine which model is optimal, the panel data regression model

must be tested using the Chow, Hausman, and Lagrange multiplier tests as follows:

Test Chow

Table 4 Chow Test Results

Redundant Fixed Effects Tests
Equation: Untitled
Cross-section fixed effects test

Effects Test	Statistics	df	Prob.
Cross-section F	98.032209	(16.31)	0.0000
Chi-square cross-section	201.116906	16	0.0000

Source: Eviews Output 13

The cross-section chi-square's probability value (P-value) was determined to be 0.0000 < 0.05 based on the findings of the Chow, common effect, and fixed effect tests. This suggests that hypothesis H0 is rejected and hypothesis H1 is accepted. Accordingly, the panel data in the Chow Regression Test employs the Fixed Effect Model (FEM) rather than the Common Effect Model (CEM).

Hausman test

Table 5 Hausman Test Results

Correlated Random Effects - Hausman Test
Equation: Untitled
Cross-section random effects test

Test Summary	Chi-Sq. Statistics	Chi-Sq. df	Prob.
Random cross-section	0.000000	3	1,0000

Source: Eviews Output 13

The probability value (P-value) for the random cross-section was found to be 1.0000 > 0.05 based on the findings of the Hausman test, random effect, and fixed effect. This suggests that the hypothesis H0 is accepted and the hypothesis H1 is rejected. So panel data regression does not employ the Fixed Effect Model (FEM) but rather the Random Effect Model (REM) which is most appropriate to use in estimating panel data.

Langrange Multiplier Test

Table 6 Langrange Multiplier Test Results

Lagrange Multiplier Tests for Random Effects
Null hypothesis: No effects
Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided (all others) alternatives

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	48.06553 (0.0000)	1.590002 (0.2073)	49.65553 (0.0000)

Source: Eviews Output 13

Given the outcomes of the Langrange multiplier, common effect, and random effect tests, the Breusch-Pagan (Both) probability value is 0.0000 < 0.05, indicating the rejection of hypothesis H0 and the acceptance of hypothesis H1. Therefore, the Random Effect Model (REM) is the most appropriate model to utilize in panel data regression for the Lagrange multiplier test rather than the Common Effect Model (CEM).

Conclusion on Selecting a Panel Data Regression Model

Table 7 Model Test Conclusion Results

No.	**Method**	**Testing**	**Results**
1.	Test Chow	CEM and FEM	Fixed Effect Model (FEM)
2.	Hausman test	REM and FEM	Random Effect Model (REM)
3.	Lagrange Multiplier Test	REM and CEM	Random Effect Model (REM)

The objective is to reinforce the findings of testing the panel data regression estimation technique employed, based on the outcomes of panel data regression model testing on the three panel data models mentioned above. Thus, it can be inferred from the results that additional data in this study was analyzed using the Random Effect Model (REM).

Classic assumption test

The normality test is a procedure used to determine whether or not the regression model's variables have a normal distribution. Winarno (2017) claims in his book "Econometric and Statistical Analysis with Eviews" that when doing multivariate analysis, researchers adhere to the rule that every variable should have thirty data points. This indicates that the data can be considered regularly distributed if the study includes thirty or more data points. In this study, there were 51 observation data points for 2 independent variables, 1 moderating variable, and 1 dependent variable. Because the data under study was normally distributed, the researcher used these principles as a guide and did not need to perform a data normality test. The test for heteroscedasticity demonstrates whether or not the model's residuals have a constant variance. A model with a variance for each disturbance or residual constant is considered to be good. When these presumptions are not met—that is, when the predicted error and error variance vary with each passing period—we refer to this as heteroscedasticity. The Random Effect Model was selected for this study, and its estimation method is the Generalized Least Squares (GLS) approach. One benefit of employing a random effects model is that it removes heteroscedasticity, according to napitupulu et al. (2021). Only in the event that the data is a time series is the autocorrelation test then performed. The data used in this study are panel data. Consequently, the test for autocorrelation was
not completed since it was detailed (Basuki, 2018) asserts that the panel data type has features that are dominant in the cross section.

Multicollinearity Test

Table 8 Multicollinearity Test

	ROI	**LTDER**
ROI	1,000000	-0.260718
LTDER	-0.260718	1,000000

Source: Eviews Output 13

The correlation value between the independent variables is known to be smaller than 0.8 ($r < 0.8$) based on the results of the multicollinearity test above, indicating that either the model does not have multicollinearity issues or the presumption that multicollinearity does not occur in this model is true.

Multiple Regression Analysis

Table 9 Results of Multiple Linear Regression Analysis

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	18.20962	31.91970	0.570482	0.5710
ROI	355.8295	188.9408	1.883285	0.0657
LTDER	-0.183662	27.72147	-0.006625	0.9947

Based on linear regression analysis testing, the panel data regression equation can be formulated as follows:
Y = 18.2096211909 + 355.829452861*ROI - 0.183662451551*LTDER + e

1. A constant value of 18.20962 means that in the absence of the influence of Return On Investment and Long Term Debt to Equity Ratio, the Company Value will be 18.20962 or in other words if the independent variable is considered constant (value = 0) then the stock return has a value of 18.20962.
2. The variable Return On Investment (X1) has a value of 355.8295 with a positive coefficient value, so these results illustrate that for every one unit increase in Return On Investment assuming the other variables are constant (fixed), there will be an increase in Company Value (Y) of 355.8295.
3. The Long Term Debt to Equity Ratio (X2) variable has a value of -0.183662 with a negative coefficient value, so these results illustrate that for every one unit increase in the Long Term Debt to Equity Ratio assuming the other variables are constant, there will be a decrease in the value. Company (Y) is -0.183662.

Interaction Test or Moderated Regression Analysis (MRA)

Table 10 Interaction Test Results or Moderated Regression Analysis (MRA)

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	1.497536	0.986284	1.518362	0.1359
ROI	-14.00408	9.791201	-1.430272	0.1595
LTDER	-8.348964	0.836229	-9.984070	0.0000
INFLATION	0.125094	0.325240	0.384622	0.7023
X1Z	7.364786	0.074486	98.87428	0.0000
X2Z	3.922540	0.030684	127.8361	0.0000

Source: Eviews Output 13

Based on the interaction test or MRA, a regression equation can be formulated test the interaction as follows:

Y = 1.49753571561 - 14.004081744*ROI - 8.34896423065*LTDER + 0.125094466733*INFLATION + 7.36478572775*X1Z + 3.92253985154*X2Z + e

1. The constant of 1.497536 states that if the Return On Investment and Long Term Debt to Equity Ratio variables and inflation as a moderating variable are considered constant, then the average Company Value is 1.497536.
2. The variable Return On Investment (X1) has a value of -14.00408 with a negative coefficient value, so these results illustrate that for every one unit increase in Return On Investment assuming other variables are constant, there will be a decrease in Company Value (Y) of - 14.00408.
3. The long term debt to equity ratio (X2) variable has a value of -8.348964 with a negative coefficient value, so these results illustrate that for every one unit increase in the long term debt to equity ratio assuming other variables are constant, there will be a decrease in the value. company (Y) is -8.348964.
4. The inflation variable (Z) has a value of 0.125094 with a positive coefficient value, so these results illustrate that for every one unit increase in inflation assuming the other variables are constant, there will be an increase in the company value (Y) of 0.125094.
5. The coefficient of the interaction variable Return On Investment (X1) with inflation (Z) has a value of 7.364786 with a positive coefficient value, so these results illustrate that for every one unit increase in the interaction of Return On Investment with inflation assuming the other independent variables are constant, it will If this occurs, there will be an increase in Company Value (Y) of 7.364786.
6. The coefficient of the interaction variable Long Term Debt to Equity Ratio (X2) with inflation (Z) has a value of 3.922540 with a positive coefficient value, so these results illustrate that for every one unit increase in the interaction of the long term debt to equity ratio with inflation assuming other independent variables constant (fixed) then there will be an increase in Company Value (Y) of 3.922540.

Hypothesis testing

Individual Partial Test (t Statistical Test)

The degree to which a single independent variable contributes to the explanation of the dependent variable is demonstrated by the partial test, often known as the t-test. The dependent variable in this study is stock returns, while the independent factors are current ratio, debt to equity ratio, return on assets,

earnings management, and company valuation. If the probability value is less than 0.05, the result is considered significant (Ha is accepted), indicating that the independent variable has some influence on the dependent variable. Conversely, if tcount is less than ttable, Ha is rejected, indicating that the independent variable has no substantial influence on the dependent variable.

Table 11 t test results

Dependent Variable: PBV
Method: Panel EGLS (Cross-section random effects)
Date: 04/23/24 Time: 11:52
Sample: 2020 2022
Periods included: 3
Cross-sections included: 17
Total panel (balanced) observations: 51
Swamy and Arora estimator of component variances

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	18.20962	31.91970	0.570482	0.5710
ROI	355.8295	188.9408	1.883285	0.0657
LTDER	-0.183662	27.72147	-0.006625	0.9947

Source: Eviews Output 13

The t-test hypothesis testing data results were acquired using the eviews 12 software, as shown in table 4.20. When there are 51 observations, there are 2 independent variables (k=2), which results in a degree of freedom (df) of nk-1 = 51-2-1 = 48 at a significance level of 0.05. Based on this information, the t table is 2.00957. The following is a description of the t statistical test results from table 4.20 above:

1. The calculated t value for the Return On Investment (X1) variable is 1.883285 with a probability value of 0.0657. The results obtained show that the calculated t value is smaller than the t table (1.883285 < 2.00957) with a probability value of (0.0657 > 0.05). So it can be concluded that H1 which states that Return On Investment has an effect on Company Value is rejected. With this it can be said that Return On Investment (X1) has no significant effect with a positive coefficient on Company Value (Y).
2. The calculated t value for the Long Term Debt to Equity Ratio (X2) variable is-0.006625 with a probability value of 0.9947. The results obtained show that the calculated t value is greater than the t table (-0.006625 > 2.00957) with a probability value of (0.0046 < 0.05). So it can be concluded that H2 which states that the Long Term Debt to Equity Ratio has an effect on Company Value is accepted. With this it can be said that the Long Term Debt to Equity Ratio (X2) has a significant effect with a negative coefficient on Company Value (Y).

Table 12 t Test Results (Moderated Regression Analysis)

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	-0.698201	0.481754	-1.449289	0.1538
X1Z	7.421071	0.090897	81.64247	0.0000
X2Z	3.900114	0.038188	102.1291	0.0000

If the regression coefficient is negative and the significance threshold is less than 0.05 (Ha is accepted), then variable Z can be considered a moderator variable. This indicates that inflation has the ability to regulate the link between variables X and Y. On the other hand, if the significance threshold is more than 0.05 (Ha is rejected) and the regression coefficient is positive, it indicates that the moderator variable is unable to moderate the link between variable X and variable Y.

3. Return on Investment (X1) and interaction probability value result in 0.0000. The collected data indicate that 3 (0.0000 < 0.05) is the likelihood value. Therefore, it can be concluded that H6a, which claims that inflation moderates return on investment on company value, is accepted. As a result, inflation is found to be significantly moderating the influence of the return on investment variable (X1) on company value (Y) with a positive relationship direction, meaning that it strengthens the influence of the return on investment variable (X1) on company value (Y).

4. The interaction between the long-term debt to equity ratio (X2) and its probability value is 0.0000. The collected data indicate that (0.0000 < 0.05) is the likelihood value. Consequently, it might be said

F Statistical Test (F Test)

R-squared	0.077120	Mean dependent var	2.854012
Adjusted R-squared	0.038667	SD dependent var	20.27353
SE of regression	19.87771	Sum squared resid	18965.93
F-statistic	2.005546	Durbin-Watson stat	2.442734
Prob(F-statistic)	0.145709		

Based on the results of data processing using eviews 12 software in table 17, it is known that the Prob (F-statistic) value is 0.145709. The probability value is 0.145709 > 0.05, so it can be concluded that all independent variables or independent variables, namely Return On Investment (X1), Long Term Debt to Equity Ratio (X2) together (simultaneously) have no significant effect on the dependent variable or dependent variable, namely Company Value (Y).

Coefficient of Determination (R2)

From the results of data processing as in table 17, the value of Adjusted R-squared is 0.038667. This value shows that the ability of the independent or independent variables, namely Return On Investment (X1), Long Term Debt to Equity Ratio (X2) in the regression model, can explain the dependent or dependent variable, namely Company Value (Y) of 3.8667% while the remainder, namely 96.1333% explained by variables other than the variables used in this research.

DISCUSSION

1. The Influence of Investment Decisions (Return On Investment) on Company Value

The calculation results from research conducted on 17 companies in the property and real estate sector for the 2020-2022 period show that investment decisions (return on investment) have a positive and insignificant effect on company value. Investment spending will provide a positive signal for the company's growth in the future. This positive signal will later increase share prices which are an indicator of company value. Investors can see the company management's decision to purchase a fixed asset for investment through the financial report published by the company management. These investors do not pay attention to the development of the assets owned by the company, while management is responsible for every asset purchase made. The purchase of assets by company management must have an impact on company profits which will stimulate an increase in company value. This shows that companies that have not yet benefited from investments made by investors do not look at investment decisions as a reference for investing. Even though the assets owned by the company are relatively high, this still does not improve the company's profit condition.

These results contradict research conducted by(Tanto et al., 2020)which states that investment decisions influence company value.

2. The Influence of Capital Structure (Long Term Debt to Equity Ratio) on Company Value

The results of calculations from research conducted on 17 companies in the property and real estate sector for the 2020-2022 period show that capital structure (long term debt to equity ratio) has no significant effect on company value. The level of a company's capital structure will not affect the company's value. The increase in capital structure will also be in line with the interest financing burden that will be paid. This will affect the company's profits so that it will change investors' views of the company and will reduce the company's value. Meanwhile, a low capital structure will hinder the growth process of a company because the company experiences limitations in the funding process.

The results of this research are in line with research by(Firmansah & Sari, 2024; Kurnia Sari & Sista Paramita, 2021; Supitriyani et al., 2020)which states that capital structure has no effect on company value.

3. Inflation moderates the influence of Investment Decisions (Return On Investment) on Company Value

   The results of calculations based on the moderated regression analysis test from research conducted on 17 companies in the property and real estate sector for the 2020-2022 period show that inflation can moderate the influence of Investment Decisions (Return On Investment) on Company Value. From the results of the hypothesis test, Return on Investment (ROI) has a positive and significant influence on company value in property and real estate companies for the 2020-2022 period. This is shown by the T value of 1.883 with a probability significance level of 0.065 which is smaller than 0.05, greater than the expected significance level of 5%. The results of this research show that a high Return On Investment (ROI) will provide an indication of good company prospects thereby increasing the confidence of investors and potential investors. This can make it easier for companies to get investment and increase demand for shares, with a direct increase in demand for shares, the value of the company will increase.
4. Inflation moderates the influence of Capital Structure (Long Term Debt to Equity Ratio) on Company Value

   The calculation results based on the moderated regression analysis test from research conducted on 17 companies in the property and real estate sector for the 2020-2022 period show that inflation can moderate by strengthening the influence of capital structure on company value. Low inflation will have an impact on company operational financing, one source of which comes from the capital structure. Companies must be careful because excessive financing compared to the profits generated will make the company get a negative perspective from investors so that they are reluctant to invest in the company which will result in a decrease in company value.(Chusnah et al., 2021).

CONCLUSIONS AND RECOMMENDATIONS

Based on research results, data analysis and discussion regarding the role of inflation in moderating investment decisions and capital structure on company value, the results show that investment decisions and capital structure do not have a significant effect on company value. Meanwhile, inflation is able to moderate investment decisions by strengthening its influence on company value and inflation is also able to moderate capital structure and also strengthen its influence on company value.

This research shows that investment decisions do not affect company value because if company management continues to purchase fixed assets, it does not guarantee that company profits will increase. Then the capital structure does not have a significant effect on company value because the level of a company's capital structure will not affect the value of the company. The increase in capital structure will also be in line with the interest financing costs that will be paid. This will affect the company's profits so that it will change investors' views of the company and will reduce the company's value.

This research also shows the results that inflation can be a moderator of the influence of investment decisions on company value. This can make it easier for companies to get investment and increase demand for shares. With a direct increase in demand for shares, the value of the company will increase due to investors' good views in assessing the company. Apart from that, inflation is also able to moderate the capital structure of the company's value because high and low inflation will have an impact on the company's operational funding activities which will affect the company's value.

ADVANCED RESEARCH

To complement the research limitations, researchers suggest using different measuring instruments and different moderating variables and researchers suggest extending the observation year and research can be carried out in different company sectors.

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