THE EFFECT OF COMPANY SIZE, AUDIT COMMITTEE AND LEVERAGE ON THE VALUE OF THE FIRM IN THE PROPERTY AND REAL ESTATE SECTOR IN INDONESIA

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Abstract
The purpose of this research is to examine the influence of leverage, firm size, and audit committee on firm value. This study uses quantitative data where the population in this study uses the Property and Real Estate sectors listed on the Indonesia Stock Exchange for the period 2020 to 2021. This research used a Purposive Sampling Technique to obtain companies according to the criteria as a research sample. The data analysis method used is Panel Data Regression Analysis using the Eviews Version 12 application program. The results of this study found that leverage has an effect on firm value, company size has an effect on firm value, audit committee has an effect on firm value.

Keyword: Firm Size, Audit Committee, Leverage, Value of the Firm

1. Introduction

Corporate value becomes an important concept for investors, as it is used as an indicator for the market to assess the company as a whole (Adhitya, 2016). The high value of the company is an achievement for the owner of the company, because it can provide prosperity and welfare for shareholders. Sujoko and Soebiantoro (2007) define company value as an investor's perception of a company's success rate which is often associated with the stock price. Potential investors need information about the company to be able to make a decision on whether it is appropriate to invest in the company, one of the media is financial reports. The main goal of the company is to increase the prosperity of the owners or shareholders through increasing the value of the company. According to Aries in Herawati (2013), the company's value is the result of management from various sectors, including net cash flow, growth and capital costs.

The phenomenon related to company value in 2020 is the decline in the condition of the propery and real esatate industry due to the widespread Covid-19 pandemic. The impact on business and the property industry will certainly have a major impact on the national economy, so the business world needs to turn the situation back to increase.

This phenomenon is also supported by the development of data on several property and real estate companies listed on the Indonesia Stock Exchange

Table 1.1 Phenomenon Value of The Firm Property and Real Estate

Company Name	2020	2021
PT Bumi Serpong Damai Tbk	43,0456	35,2024
PT Ciputra Development Tbk	116,9851	111,1956
PT Puradelta Lestari Tbk	175,7785	150,6960
PT Duta Pertiwi Tbk	255,8179	205,1155
PT Royalindo Investa Wijaya Tbk	56,0692	44,8972
PT Jaya Real Property Tbk	14,6850	12,4781
Jababeka Industrial Estate Tbk	33,1907	25,6603
PT Metropolitan Kentjana Tbk	348,5488	295,9029
PT Metropolitan Land Tbk	55,7989	55,2518
PT Nusantara Almazia Tbk	119,4889	109,1085
PT PP Properti Tbk	8,5951	5,0278
PT Pakuwon Jati Tbk	23,5421	19,6888
PT Urban Jakarta Propertindo Tbk	53,3596	46,7263

Company size is a scale of size that is seen from the total assets of an enterprise or organization that combines and organizes various resources with the aim of producing goods or services for sale. As for the indicators in the size of the company according to Suwito and Herawaty (2005:): "is the total assets, stock market value, total income and others." . Research conducted by Nuraina (2012), Solichah (2015) and Novari and Lestari (2016), said that company size has a positive effect on company value. But in contrast to the research of Dewi and Wirajaya (2013), Pantow, et al (2015), and Prastuti and Sudiartha (2016) said that the size of the company has no effect on the value of the company. And the results of research by Ibrahim (2017)in Nigerian and Cheng, Liu, & Chien (2010)in China that show that the size of the company negatively affects the value of the company.

The Audit Committee is a supporting organ under the Board of Commissioners, which is established and responsible to the Board of Commissioners with the aim of assisting the Board of Commissioners in order to support the effectiveness of the implementation of its duties and supervisory functions on matters related to financial statements, internal and external control systems. The Audit Committee is chaired by an Independent Commissioner. Audit committee research on company value by Rapilu (2012) and Rustiarini (2010) which proves that the audit committee in a company is able to supervise company performance so as to increase company value. In contrast to the results of research conducted by Purwaningtyas and Pangestuti (2010), Anggraini (2013) which proves that the existence of an audit committee has no effect on the value of the company. Research according to Triyonowati (2021), Mardiyaningsih and Krishna Kamil (2020) shows that the audit committee has a positive effect on company value. Meanwhile, according to Iroh Rahmawati (2022) that the audit committee does not have a significant effect on the value of the company. According to Widya Lestari (2017) the audit committee negatively affects the value of the company.

Leverage is the first variable that may affect the value of the company. Leverage is the use of a loan of funds or capital to increase profits in a business. Leverage is the use of debt (borrowed funds) to carry out business activities or strengthen returns from

investments or projects. Leverage is basically an investment in which borrowed money or debt is used to maximize the return on investment, acquire additional assets or raise funds for the company. As for previous research according to Novari and Lestari (2016) found, leverage has no effect on company value, Bachrudin (2017) stated that leverage has a negative effect on company value , while according to Sholichah (2015) and Rudangga and Sudiarta (2016) found leverage has a significant effect on company value with a positive coefficient direction.

2. Theoritical Background

A. Grand Theory

a. Signal Theory

Signal Theory is an action taken by company management that provides clues to investors about how future management prospects a company (Brigham and Ehrhardt in the research journal Yuliawan & Wirasadana, 2016). Meanwhile, according to Suwardjono in the research journal Khairudin & Wandita (2017) stated about signal theory that "Signalling theory is information signals needed by investors to consider and determine whether investors will invest their shares or not in the company concerned". Suwardjono (2012).

b. Company Size

According to Riyanto (2001:299): "Firm Size is a description of the size of a company which is shown in total assets, number of sales, average sales and total assets." According to Bringham and Houston (2006:25) explains that the size of the company is: "The average total net sales for the year in question is up to several years. In this case, the sale is greater than the variable and fixed costs, the amount of income before tax will be obtained. According to Prastuti and Sudiartha (2016) the size of the company can be used as a reference to assess the possibility of company failure such as: The cost of bankruptcy is a function that limits the value of a company ; Large companies usually prefer to diversify compared to small companies, and have a smaller probability of bankruptcy.

c. Audit Committee

An audit committee is a group of people selected by a larger group to perform certain jobs or to perform specific tasks or a number of members of the client company's board of commissioners who are responsible for assisting the auditor in maintaining his independence from management (Tugiman, 2014). The audit committee is tasked with monitoring the implementationandthen evaluating the results of the audit to assess the feasibility and ability of internal controls including overseeing the process of preparing financial statements. The company must have an audit committee consisting of at least three members led by independent commissioners and the rest are external members who havea background and control of accounting and or finance (in Silvia, 2013). Audit committee research on company value by Rapilu (2012) and Rustiarini (2010) which proves that the audit committee in a company is able to supervise company performance so that it can increase company value.

d. Debt to Asset Ratio

Debt to Asset Ratio commonly called debt ratio is a ratio that measures how much the company's total assets are financed by liabilities or in other words how much the company's assets can be met with its total liabilities. If the ratio is high, it means that the funding with more debt, the more difficult it is for the company to obtain additional loans because it is feared that the company will not be able to cover its debts. Similarly, when the ratio is low, the smaller the company is financed with debt.

e. Company Values

Company value is the achievement of a company as an illustration of public trust after the company has gone through a process for a long time, namely from the company founded until now (Denziana and Monica 2016). According to Franita (2016) the value of the company is the price that can be sold at the agreed price that oleh the buyer will pay. Tobin's Q is the ratio of the market value of a company's tangible assets to its replacement costs, or whether the market value of a company is equal to the costs required to replace the company (CFI, n.d.; Hayes, 2021).

f. Conceptual Framework

As for the framework in this study, it is as follows:

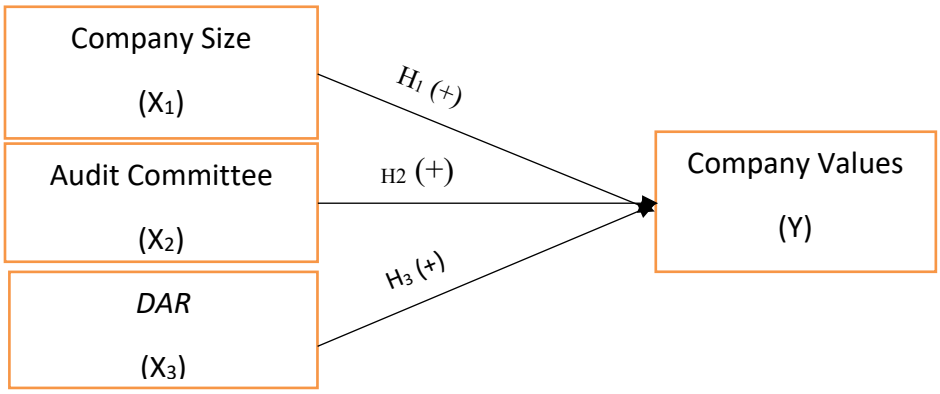

Figure 2.1

B. Development of Hypotheses

As for the research hypothesis that affects the value of the company in this study, it is as follows:

a) Effect of Company Size on Company Value

Company size is a tool used to measure performance in a company. The larger size of the company will indicate that the company has a high commitment in improving its performance, so investors will pay more in acquiring its shares, because it believes it will obtain profitable returns (Bachrudin, 2017). An increased company value can be characterized by an increase in total company assets and greater than the amount of company debt, in (Fitri prasetyorini, 2013). The larger the size of the company will give a positive signal to external parties that will have a positive impact on the value of the company.

This is in line with signaling theory which shows the size of the company depicted in the financial statements, namely on the total assets owned by the company. This research is in line with the results of research by Nuraina (2012), Solichah (2015),

Novari and Lestari (2016) proving, that the size of the company has a positive and significant influence on the value of the company.

H_1 : The size of the company positively affects the value of the company.

b) Effect of Audit Committee on Company Value

The number of members of the audit committee has been regulated in the Decree of the Chairman of Bapepam Number

Kep. No. 29/PM/2004 which says the audit committee in the company consists of at least three people, and at least one person who comes from an independent commissioner and two others from outside the company or public company. The establishment of an audit committee is related to signaling theory, where this theory explains the presentation of appropriate information to interested parties and the audit committee is tasked with ensuring this. If the audit committee performs its functions effectively, its tax avoidance will be even lower. If there are many people who supervise it, it will be better with the financial results. The greater the number of audit committees, it can be expected that the supervisory function will run effectively. Mardiyaningsih and Krishna Kamil (2020) show that the audit committee has a positive effect on the value of the company.

H_2 : Audit Committee positively affects company value

c) Effect of Debt to Asset Ratio (DAR) on Company Value

Leverage is a ratio used to calculate how strong a company is in paying or fulfilling its financial obligations (Gitman and Zutter 2015, 560). The smaller the company's debt ratio causes sources of financing through small debt, another thing if the high debt ratio of funding sources through debt is also high (Husna and Satria, 2019). Companies that can manage their debts well so that the higher the debt will be able to increase the value of the company (Duh et al. 2012). Solichah (2015) and Frederik, et al (2015) show that leverage has an influence on company value. The relationship between Signaling theory and leverage, the management of the company will provide signals for interested parties through information related to the number of assets and the amount of company debt that will be used by investors for consideration in decision making. According to Signaling theory, profitable leverage occurs when a company can generate higher revenues (Bachrudin,2017). According to Sholichah (2015) and Rudangga and Sudiarta (2016) found leverage affects the value of the company with a positive coefficient direction.

H_3 : Debt to Asset Ratio positively affects the value of the company.

3. Methods

A. Definition and Measurement of Variables

1. Dependent Variables

Variables caused or influenced by the presence of free variables or independent variables. There are two types of variables, namely independent variables and dependent variables. The independent variables in this study are Company size, Audit Committee, and Debt of Asset Ratio (DAR). The dependent variable in this study is Company Value. Here's an explanation of each variable.

a) Company Value (Y)

Company value is the company's share price that illustrates to investors about the company's future prospects (Brigham and Houston, 2019, 107). Tobins'Q is the ratio of

the market value of a company's tangible assets to its replacement costs, or whether the market value of a company is equal to the costs required to replace the company (CFI, n.d.; Hayes, 2021).

$$\textbf{Tobins'Q (Y) : } \frac{\textbf{((hrg closing shares * jml shares) + total liabiity)}}{\textbf{Total assets}}$$

2. Independent Variables

Independent Variable is a variable that causes the emergence or change of a dependent variable, and is also referred to as variable which affects (Sugiyono in Zulfikar 2016). The following are independent variables, namely:

b) Company Size (X_1)

The size of the company illustrates how much activity can be carried out on a company (Steven and Suparmun 2019). According to Riyanto (2001:299): "Firm Size is a description of the size of a company which is shown in total assets, number of sales, average sales and total assets."

Size (X_1) : LN (Assets)

c) Audit Committee (X_2)

Financial Services Authority Regulation Number 55/POJK.04/2015 defines an audit committee as a committee formed by and responsible to the board of commissioners in assisting in carrying out the duties and functions of the board of commissioners. The audit committee is tasked with monitoring the implementationandthen evaluating the results of the audit to assess the feasibility and ability of internal controls including overseeing the process of preparing financial statements.

KA (X_2) : ∑ Member of Audit Committee

d) Debt to Asset Ratio (X_3)

Debt to asset ratio is implemented to calculate the size of a company's assets through corporate debt (Vatansever and Hepsen 2013). The larger the debt ratio makes the source of funding through debt larger otherwise the lower the debt ratio then the source of funding through debt is smaller, DAR can be calculated using the formula (Husna and Satria 2019):

$$\textbf{DAR (X_3) :} \frac{\text{Total Debt}}{\text{Total Assets}}$$

B. Sampling Methods

The object of research used in the study is a company in the field of property and real estate registered in Bursa Efek Indonesia. Financial statements used in the study during the period 2020 to 2021. The sampling technique used is purposive sampling. This technique uses certain considerations for sample determination. The population to be sampled is the population that meets certain criteria. The criteria used in sampling are as follows, namely;

a. Property and Real Estate companies that are consistently registered in Bursa Efek Indonesia.
b. Property and Real Estate companies that publish annual financial statements for the 2020-2021 period
c. Property and Real Estate Companies that make a profit

C. Data Analysis Methods

1. Descriptive statistical analysis

Descriptive statistics is the activity of collecting, structuring, summarizing and presenting data in the hope that the data is more meaningful, easy to read and easy to understand by data users. Descriptive statistics are used to explain or give an idea of the characteristics of a series of data without drawing general conclusions (Ghozali, 2016). The presentation of descriptive statistical data is usually in the form of a diagram or table. Descriptive statistical analysis consists of mean, median, maximum, minimum, and standard deviation values. Descriptive statistical analysis shows a picture of the condition and characteristics of the respondent's answers for each of the constructs or variables studied.

2. Estimated Panel Data Regression

a. Common Effect Model (CEM)

CEM is the simplest panel data approach model because it only combines time series and cross section data. In this model, neither time nor individual dimensions are considered, so it is assumed that the behavior of company data is the same in various time periods. Methods can use such as the Ordinary Least Square (OLS) approach and/or the least squares technique to estimate panel data models (Christiawati, 2017).

$$Yit = \alpha + Xit\beta + \varepsilon it$$

Information:
i = cross section (in this case individual)
t = time period assuming error component in least squares processing
regular, this estimation process separately for each cross section unit can be performed (Basuki and Prawoto, 2016).

b. Fixed Effect Model (FEM)

This model assumes that the existence of differences between individuals can be accommodated from differences in their intercepts. To be able to estimate the panel data of the Fixed Effect model using dummy variable techniques to capture intercept differences between companies, intercept differences can occur due to differences in work culture, managerial, and incentives. But thus the slops are the same between companies. The FEM (Fixed Effect Model) model is often referred to as the Least Squares Dummy Variable (LSDV) technique.

c. Random Effect Model (REM)

This model will estimate panel data where there are variables of interference that may be interconnected between times and between individuals. In the Random Effect model, the difference in intercepts is accommodated by the error terms of each company. Advantages of using the Random Effect Model to eliminate heteroskedasticity. This model is also called the Error Component Model (ECM) or the Generalized Least Square (GLS) technique.

$$Yit = \alpha + X'it\beta + wit$$

D. Selection of Panel Data Regression Model Techniques

a. Chow Test

A Chow test is performed to determine which panel data regression model that should be used, whether Common Effect Model or Fixed Effect Models. This test was performed using the Eviews program. As for the provisions for Chow testing is as follows:

1) If the probability value of Cross-section F and Cross section Chi-square > 0.05 then H0 is diterima, and the selected regression model is the Common Effect Model (CEM).
2) If the probability value of Cross-section F and Cross-section Chi-square < 0.05 then H0 is rejected, and the regression model chosen is Fixed Effect Model (FEM).

b. Hausman Test

The Hausman test was conducted to compare between the Fixed Effect Model and the Random Effect Model with the aim of determining which model should be used. This test was performed using the Eviews program. The provisions for Hausman's testing are as follows:

1) If the probability value of the Cross-section random > 0.05 then H0 is accepted the selected regression model is the Random Effect Model (REM).
2) If the probability value of the Cross-section random < 0.05 then H0 is rejected the selected regression model is a Fixed Effect Model (FEM).

c. Test Lagrange Multiplier

The Lagrange Multiplier test was performed to find out whether the Random Effect Model is good from the Common Effect Model. This test was performed using the Eviews program. The provisions for testing the Lagrange Multiplier are as follows:

1) If the Breusch-food cross section value > 0.05 then H0 is accepted, so the most appropriate model to use is the Common Effect Model (CEM).
2) If the Breusch-food cross section value < 0.05 then H0 is rejected, so the appropriate model used is the Random Effect Model (REM).

E. Hypothesis Test

a. Test F

Test F (simultaneous test) is to see if independent variables together (simultaneously) have a significant influence on the dependent variables. In simultaneous testing, the influence of two independent variables will be tested together on the dependent variables, (Hakim & Abbas, 2018) with the following hypothesis:

1. Based on calculations between F-statistics and F table
- H0: if the value of F-statistic < F Table (F-statistic is smaller than F Table)
- Ha: if the value of F-statistics > F Table (F-statistics is greater than F Table)

2. Based on profitability
- H0: if the value of Prob (F-statistical) > α (0.05)
- Ha: if the value of Prob (F-statistical) < α (0.05)

b. Coefficient of Determination (R^2)

The R^2 determination test is useful for predicting how much influence independent variables contribute to dependent variables. The R-squared value is between 0 and 1 (Hakim & Abbas, 2018) with the following explanation:
- The value of the R-squared should be in the range from 0 to 1
- If the value of R-squared is 1, it means that the rise or fall of the dependent variable is 100% influenced by the independent variable
- If thevalue of R-squared is 0, it means that there is no relationship at all between the independent variable and the dependent variable.

c. T-test

The t-test difference test was used to test how far the influence of the independent variables used in this study individually in explaining the dependent variables. The decision-making basis used in the t test is as follows
1. If the value of signification profitability > 0.05, then the hypothesis is rejected. The rejected hypothesis means that variables have no effect on dependent variables.
2. If the value of signification profitability < 0.05, then the hypothesis is accepted. The accepted hypothesis means that independent variables affect dependent variables.

d. Panel Data Regression Analysis

Analysis Regression panel data be one method that Used to modeling influence variable Predictor towards variable Response deep some sector that Observed from one object research for era time certain. Object deep Penelitian this is the value of the company Sector Property and Real Estate listed in BUrsa Efek Indoneisa period 2020-2021. The research designs that can be made are as follows:

$$Y = \alpha + \beta_1 SIZE + \beta_2 KA + \beta_3 DAR + e$$

4. Results and Discussion

A. Descriptive of Research Data

The population in this study is all companies listed on the IDX with a research period from 20 20 to 2021. The sampling method in this study used the purposive sampling method, namely the sample was selected with certain criteria and produced a total of 56 research data .

Table 4.1
Sampling Criteria

No	Information	Sum
1	Property and Real Estate Sector Companies that are consistently listed on the IDX for the 2020-2021 period	80
2	Property and Real Estate Sector Companies that do not publish Financial Statements for the 2020-2021 period	(13)
3	Property Sector Companies that experienced losses for the 2020-2021 period	(39)
Total Sampel of Property and Real Estate Sector Research for the Period 2020-2021		28
Total Data (n) Companies in the Property and Real Estate Sector for the Period 2020-2021		56

1. Descriptive Statistical Analysis

Table 4.1. 1 Descriptive statistical test

	TOBINS	SIZE	KA	DAR
Mean	90.20924	26.70126	3.072054	0.326257
Median	51.38480	27.55852	3.000000	0.313443
Maximum	481.9797	31.74957	4.000100	0.786681
Minimum	5.027784	15.59595	3.000000	0.001965
Std. Dev.	97.47206	3.794147	0.259710	0.183496

The table above presents descriptive statistical data using Eviews 12:

1. In variable Y is Tobins'Q, out of 56 studies it has a minimum value of 5.027784, the maximum value of the Tobins'Q variable is 481.9797, the mean value of the Tobins'Q variable is 90.20924, and the standard deviation value of the Tobins'Q variable is 97.47206. This shows that Tobins'Q data has a wide spread, because the standard deviation is greater than its mean value.
2. The variable X1 is Size which has a minimum value of 15.59595, the maximum value of the Size variable is 31.74957, the mean value of the Size variable is 26.70126, and the standard deviation value of the Size variable is 3.794147. This shows that the Company Size data has a small spread, because the standard deviation is smaller than its mean value. Then it can be concluded that the Company Size data is quite good.
3. In variable X2 is the Audit Committee which has a minimum value of 3.00000, the maximum value of the Audit Committee variable is 4.000100, the mean value of the KA variable is 3.072054 and the standard deviation value of the Audit Committee variable is 0.259710. This shows that the Audit Committee's data has a small distribution, because the standard deviation is smaller than the mean value. So it can be concluded that the Audit Committee's data is quite good.
4. The variable X3 is the Debt to Asset Ratio which has a minimum value of 0.001965, the maximum value of the DAR variable is 0.786681, the mean value of the Debt to Asset Ratio variable is 0.326257, and the standard deviation value of

the Debt to Asset Ratio variable is 0.183496. This shows that the Debt to Asset Ratio data has a small spread, because the standard deviation is smaller than the mean value. So it can be concluded that the Debt to Asset Ratio data is quite good.

2. Estimated Panel Data Regression

a. CEM (Common Effect Model) Test Results

Table 4.2.1 CEM Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	34.86129	92.42224	0.377196	0.7076
SIZE	0.999733	2.766882	0.361321	0.7193
KA	26.16067	19.12518	1.367865	0.1772
DAR	-150.1729	57.21099	-2.624896	0.0114

R-squared	0.146509	Mean dependent var	82.16654
Adjusted R-squared	0.097269	S.D. dependent var	81.89506
S.E. of regression	77.81026	Akaike info criterion	11.61517
Sum squared resid	314830.7	Schwarz criterion	11.75984
Log likelihood	-321.2248	Hannan-Quinn criter.	11.67126
F-statistic	2.975416	Durbin-Watson stat	0.124538
Prob(F-statistic)	0.039924		

Source : Data By CEM 20 20-2021 via Eviews Ver.12, 2022

The Common Effect Model (CEM) is the simplest panel data approach model because it only combines time series and cross section data. In this model, neither time nor individual dimensions are considered, so it is assumed that the behavior of company data is the same in various time periods. Methods can use such as the Ordinary Least Square (OLS) approach and/or the least squares technique to estimate panel data models (Christiawati, 2017).

b. FEM (Fixed Effect Model) Test Results

Table 4.2.2 FEM Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-1670.262	2692.364	-0.620370	0.5406
SIZE	64.60526	101.7446	0.634975	0.5312
KA	27.77312	12.67139	2.191796	0.0379
DAR	-142.5527	174.0068	-0.819236	0.4204

Effects Specification			
Cross-section fixed (dummy variables)			
R-squared	0.973038	Mean dependent var	82.16654
Adjusted R-squared	0.940683	S.D. dependent var	81.89506
S.E. of regression	19.94558	Akaike info criterion	9.124559
Sum squared resid	9945.655	Schwarz criterion	10.24574
Log likelihood	-224.4877	Hannan-Quinn criter.	9.559237
F-statistic	30.07414	Durbin-Watson stat	3.862069
Prob(F-statistic)	0.000000		

Source : Data By CEM 20 20-2021 via Eviews Ver.12, 2022

This model assumes that the existence of differences between individuals can be accommodated from differences in their intercepts. To be able to estimate the panel data of the Fixed Effect model using dummy variable techniques to capture intercept differences between companies, intercept differences can occur due to differences in

work culture, managerial, and incentives. But thus the slops are the same between companies. The FEM (Fixed Effect Model) model is often referred to as the Least Squares Dummy Variable (LSDV) technique.

c. REM Test Results (Random Effect Model)
Table 4.2.3 REM Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	24.14015	115.4403	0.209114	0.8352
SIZE	1.130423	4.001523	0.282498	0.7787
KA	27.51677	11.63817	2.364356	0.0218
DAR	-139.0670	73.59560	-1.889611	0.0644

Effects Specification	S.D.	Rho
Cross-section random	78.41253	0.9392
Idiosyncratic random	19.94558	0.0608

Weighted Statistics			
R-squared	0.162150	Mean dependent var	14.54546
Adjusted R-squared	0.113812	S.D. dependent var	20.66858
S.E. of regression	19.45690	Sum squared resid	19685.69
F-statistic	3.354527	Durbin-Watson stat	1.987099
Prob(F-statistic)	0.025720		

Unweighted Statistics			
R-squared	0.145777	Mean dependent var	82.16654
Sum squared resid	315100.5	Durbin-Watson stat	0.124143

Source : Data By CEM 20 20-2021 via Eviews Ver.12, 2022

This model will estimate panel data where there are variables of interference that may be interconnected between times and between individuals. In the Random Effect model, the difference in intercepts is accommodated by the error terms of each company. Advantages of using the Random Effect Model model to eliminate heteroskedasticity. This model is also called the Error Component Model (ECM) or the Generalized Least Square (GLS) technique.

3. Selection of Panel Data Regression Model Techniques
a. Chow Test
Table 4.3.1 Chow Test Results
Redundant Fixed Effects Tests
Equation: FEM
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	2.396909	(27,25)	0.0155
Cross-section Chi-square	71.555646	27	0.0000

Based on the Chow Test results table, it shows that the probability value of the Chi-Square cross-section is 0.0000 < 0.05. Based on the test results, it can be concluded that H0 is rejected and H1 is accepted, so the model used is a fixed effect

model. Furthermore, the Hausman Test was carried out to test between the common effect model and the fixed effect model which is better for this study.

b. Hausman Test

Table 4.3.2 Hausman Test Results

Correlated Random Effects - Hausman Test
Equation: REM
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	0.298232	3	0.9604

Based on the results of the Hausman Test , it shows that the p-robability value of cross-section random is 0.9604 > 0.05. Based on these results, it can be concluded that H0 diterima and H1 ditolak, which means that in testing between random effect models and fixed effect models, models are more suitable for use In this study is a random effect model.

c. Test Lagrange Multiplier

Table 4.3.3 Lagrange Multiplier Results

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

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	5.323681 (0.0210)	0.330487 (0.5654)	5.654168 (0.0174)

Based on the results of the Lagrange Multiplier, it shows that the cross-Breusch-Pagan probability value is 0.0 210 < 0.05. Based on these results, it can be concluded that H0 dit olak and H1 diterima, which means that in testing between random effect models and common effect models, models are more suitable for use In this study is a random effect model.

Regression Model Conclusion, as follows:

No	Method	Testing	Result
1	Chow Test	CEM vs FEM	FEM
2	Hausman Test	REM vs FEM	REM
3	Test Lagrange Multiplier	CEM vs REM	REM

4. Hypothesis Test

a. Simultaneous Test (F Test)

Table 4.4.1 F Test Results

Weighted Statistics			
R-squared	0.162150	Mean dependent var	14.54546
Adjusted R-squared	0.113812	S.D. dependent var	20.66858
S.E. of regression	19.45690	Sum squared resid	19685.69
F-statistic	3.354527	Durbin-Watson stat	1.987099
Prob(F-statistic)	0.025720		

Test –F Used to know whether in a together - same (Simultaneous) variable independent Influential Significant towards variable Dependent with level Significance 0,05 (Priyatno, 2012). Get views from Table Above that value F-Statistics as large as 3,354527 while f level table α ≠ 5%,%, df1 (k-1) = 3 with df2 (n-k) = 52 obtained the F value of the table by 2,783. So with such F-statistics 3,354527 > F table as large as 2,783and value Prob (F-statistic) 0.025720 < 0.05. Thing in prove that variable independent that Consists from Size Company Leverageand Committee Audit in a Simultaneous Influential towards variable Dependent that is Company Value on company Sub sector property and real estate that Registered on IDX era 2020-2021.

b. Coefficient of Determination (R^2)

Table 4.4.2 (Coefficient of Determination Results)

R-squared	0.162150
Adjusted R-squared	0.113812

Analysis of the coefficient of determination used to determine the percentage of SIZE, KA, and DAR to Company Value. An Adjusted R-Squared value of 0.1 1 (1 1%) means that the variation Y can be explained by X 1, X_2, and X 3 of 0.1 13 (1 1.3%). While the remaining 8 8.7% (100% - 1 1.3%) are explained by other variables outside the model.

c. Partial Test (T Test)

Table 4.4.3 T Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	24.14015	115.4403	0.209114	0.8352
SIZE	1.130423	4.001523	0.282498	0.7787
KA	27.51677	11.63817	2.364356	0.0218
DAR	-139.0670	73.59560	-1.889611	0.0644

Based on the table above, you can see the results of hypothesis testing as follows:

a. The variable SIZE (X_1) has a Probability value of 0.835 2 while the table T gets a value of 2.0066. So t- statistic 0.282498 < T Table 2.0066 and prob value 0.7787 < 0.05. Then it can be decided that $H0_2$ is accepted so that the size of the company partially has no significant effect on the Value of the Company.
b. The variable KA (X 2) has a Probability value of 0.0218 while the table T gets a value of 2.0066. So that t- statistic 2.3643 > T Table 2.0066 and prob value 0.0218 < 0.05. Then it can be decided that $H0_3$ is rejected so that the Audit Committee partially has a significant effect on the Company Value.
c. The variable DAR (X_3) has a Probability value of 0.0 644 > 0.05 while the table T gets a value of 2.0066. So t- statistic -1.8896 < T Table 2.0066 and prob value 0.0644. Then it can be decided that $H0_4$ diterima so that the Debt to Asset Ratio partially does not have a significant effect on the Value of the Company.

5. Panel Data Regression Model Analysis

Table 5.1 REM Panel Data Regression Analysis Results

Variable	Coefficient
C	24.14015
SIZE	1.130423
KA	27.51677
DAR	-139.0670

Source: Data Processing Analysis of Panel Data Regression model via Eviews Ver.12, 2022

Result with equation Regression that Retrieved that is :

Y = 24.14015 + 1.130423 SIZE + 27.51677 KA – 139.0670 DAR + e

From the results of the regression equation, it has the following meanings:

a. Constabulary 24.14015 mindicates that the independent variable is considered a constant then the quality of the value of this company occurs by 24.14015.
b. The total size of the company shows a result of 1.130423 which means if the audit committee and leverage are constant. Thus, every 1% increase in company size will increase the company's value by 1.130423.
c. The total audit committee showed a result of 27.51677 which means if the size of the company and leverage are constant. Thus, every 1% increase in the audit committee will increase the company's value by 27.51677.
d. The total leverage shows a result of -139.0670 which means if the size of the company and the audit committee is constant. Thus, any decrease in leverage by 1% will reduce the value of the company by -139.0670.

6. Interpretation and Discussion

a. Effect of Company Size on Company Value

Based on the results of the research analysis, it is proven that there is no influence of company size on company value. The results of this study are consistent with research from Marhamah (2013), namely that the size of the company has no influence on company value, but the results of this study do not support signaling theory . Company size is a scale where it can be classified as the size of the company measured by total assets, number of sales, value of shares and so on (Ayu & Gerianta, 2018). Based on Teory signalling states that a good quality company will deliberately signal to the market thus the market is expected to distinguish good and bad quality companies. The large and growing size of the company can reflect the upcoming profit level (Mikhy & Vivi, 2016). The size of the company is an increase from the fact that a large company will have a large market capitalization, a large book value and a high profit. Meanwhile, small companies will have a small market capitalization, a small book value and low profits. The level of investor confidence can also be measured through the size of the company (Eka, 2017).

The results of this study are not in line with the results of research conducted by (Siahaan, 2013), and (Ayu & Gerianta, 2018) states that the size of the company affects the value of the company. However, in line with research Prastuti and Sudiartha (2016) said that the size of the company has no effect on the value of the company.

b. Effect of Audit Committee on Nilai Company

The establishment and Implementation Guidelines of the Audit Committee state that with its integrity, ability, knowledge, experience and ability to understand the company's financial statements and business activities and not be involved in the management and ownership of the company and be directly responsible to the Board of Commissioners, it is hoped that the audit committee can evaluate, recommend corporate governance and increase corporate value. Signaling theory provides direction that the audit committee is able to provide an important role when carrying out its duties properly which will improve the company's performance.

The results of this study are in line with the penelitian Rusli et al. (2020) is an audit committee affecting the value of the company. Namun is not in line with the results of the research of Khairani & Valencia (2019) and Yohendra & Susanty (2019) i.e. the audit committee has no effect on the value of the company.

c. Effect of Leverage on Company Value

Leverage can be understood as an estimator of the risks inherent in a company. This means that the greater leverage indicates greater investment risk. Companies with low leverage ratios have less leverage risk. The results of this study reject the signaling theory that leverage has a positive influence on company value. The high leverage ratio indicates that the company is not solvable, meaning that its total debt is greater than its total assets (Van Horne, 1997). Because leverage is a ratio that calculates how far the funds provided by creditors are, as well as a ratio that compares total debt to the overall assets of a company, if investors see a company with high assets but high leverage risk, they will think twice about investing in the company.

The results of this study are not in line with Solichah (2015) and Frederik, et al (2015) showing that leverage has an influence on company value. However, in line with research from Novari and Lestari (2016), and Bachrudin (2017) stated that leverage has no effect on the company.

5. Conclusion

This study aims to determine the effect of company size, audit committee, and leverage on company value in the propert and real estate sectors in 2020-2021. Based on the results of data analysis with a sample of 28 companies, it can be concluded as follows:

1. The size of the company does not affect the Company Value of Property and Real Estate sector companies listed on the Indonesia Stock Exchange for the 2020-2021 period.
2. The audit committee has a positive effect on the Company's Value in Property and Real Estate sector companies listed on the Indonesia Stock Exchange for the 2020-2021 period.
3. Leverage has no effect on the Company Value of Property and Real Estate sector companies listed on the Indonesia Stock Exchange for the 2020-2021 period.

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