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COMPARISON OF FIRM VALUE THROUGH CAPITAL STRUCTURE ANALYSIS IN INDONESIA AND MALAYSIA

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Abstract:

The optimal funding composition can be obtained using capital structure analysis. Firm value has a big influence on the investment decisions of investors, because firm value can reflect the financial stability and the level of risk faced by the company. This study aims to determine the effect of capital structure in the form of Debt Assets Ratio (DAR) and Debt Equity Ratio (DER) on the firm value, the object in this study is a company listed on the Jakarta Islamic index and a company listed on the FTSE Bursa Malaysia Hijrah Syariah Index. While the firm value indicator used is Tobin's Q. The approach taken in this study uses a quantitative approach.

A. INTRODUCTION

Every entrepreneur who wants to open a company must have needed such a thing as business capital. Business capital owned by each company is not the same, some choose to use their capital and some prefer to use capital from outside depending on the limitations of the company. The Jakarta Islamic Index (JII) is a sharia stock index that was first launched on the Indonesian capital market on July 3, 2000. The JII constituency consists of only the 30 most liquid Islamic stocks listed on the IDX. Which determines and selects sharia shares to become a JII constituent is the IDX.

But the FTSE Bursa Malaysia Hijrah Shariah Index is designed to be used as a basis for Shariah investment products that meet screening requirements by international Shariah investors. Securities included in the index are filtered by the Malaysian Shariah Advisory Board (SAC) and leading global Shariah consultant, Yasaar Ltd, with clear guidelines. Every company must have a long-term goal to optimize the firm value by minimizing the company's capital costs. Because of the higher, the firm value will describe the welfare of the company. The use of debt policy can be used to create the desired firm value, but the debt policy also depends on the company's growth which is also related to the size of the company. This means that large companies with good growth rates are relatively easier to access the capital market. This simply shows that large companies are relatively easy to meet sources of funds from debt through the capital market, a problem that has a good company growth rate shows the ability of companies to pay debt interest if they use debt to run company operations. Therefore, linking capital structure with company growth and firm value is relevant (Safrida, 2008). The optimal funding composition can be obtained using capital structure analysis. The firm value has a big influence on the investment decisions of investors because the value of the company can reflect the financial stability and level of risk faced by the company.

The capital structure in the company's funding policy determines the profitability of the company. The owner of a good capital structure in the company is very important. A comparison of loan capital with own capital must be right because the comparison will have a direct impact on the financial position of a company. If the

company prioritizes its own capital will reduce the cost of dependence on outsiders and reduce financial risk in the long run. But if that happens then the company will experience limited capital because each company will try to develop the business so that it requires a large capital and it will limit the company's space to develop its business, so in addition to using its own capital, the company also needs loan capital. But if the company prioritizes outside capital, it will reduce the cost of its capital but the company must accept the long-term risk that they will get. The relatively high level of debt will incur fixed costs in the form of interest expense, thereby increasing the business risk of the company.

B. LITERATUR REVIEW

Firm value is investors' perception of the company, which is often associated with stock prices. High stock prices make the value of the company is also high. Stock prices are prices that occur when stock prices are traded on the market. In reality, not all companies want high stock prices (expensive), for fear of not selling or not attracting investors to buy them (Yuliana, Rini Aprillia, & Dinnul Alfian Akbar, 2013). From the background above the value of the company is a reflection of financial stability and the level of risk faced by the company.

Capital structure theory explains whether there is an effect of changes in capital structure on firm value if investment decisions and dividend policies remain constant (Yuliana et al., 2013). From the description above, capital structure is the structure needed to increase the firm value of the company. In this case, the measurement of capital structure variables is done by using:

1) Debt to Assets Ratio (DAR)

   The DAR ratio is a debt ratio used to measure how much a company's assets are financed by debt or how much the company's debt affects asset management (Kasmir, 2010). DAR calculation is done using the formula:

$$DAR = \frac{total\ Amoun\ of\ Debt}{total\ assets}$$

2) Debt to Equity Ratio (DER)

   The DER ratio is used to determine the number of funds provided by the borrower (the creditor) with the company owner. In other words, this ratio is

to know that each rupiah from its own capital is used as collateral for debt (Kasmir, 2010). DER calculation is done using the formula:

$$DER = \frac{total\ Amoun\ of\ Debt}{equity}$$

Tobin's Q formula according to (Weston and Copeland, 2001). The formula is written as follows:

$$Tobin's\ Q = \frac{(EMV + D)}{(EBV + D)}$$

Information:

Q : Firm Value

EMV : Equity Market Value

EBV : Book Value of Total Assets

D : Book Value of Total Debts

C. METHODOLOGY

This type of research is quantitative research. Quantitative research is research that uses data analysis in the form of numbers. The type of data used in this study is secondary data because researchers do not collect data themselves, but data that has been collected and processed through other parties. A population is a collection of all elements or units of observation to study. The population in this study is all company data in the Jakarta Islamic Index (JII) and the Malaysian Hijrah Syariah FTSE Index. Samples are parts of the population that have certain characteristics or circumstances to be examined. The technique used is Convenience Sampling. Is a technique in selecting samples, researchers do not have other considerations except based on ease. Data analysis used in this study includes descriptive analysis, classic assumption test, multiple linear regression analysis, F test, and t-test. The various types of data analysis will be explained as follows:

1) Descriptive statistics

   Descriptive statistics provide a description or description of the data about the mean value, minimum value, maximum value.

2) Classic assumption test

   The Classical Assumption Test in this study includes:

a) Normality Test

Normality test according to Imam Ghozali (Ghozali, 2018) aims to test whether in the regression model confounding or residual variables have a normal distribution.

b) Multicollinearity Test

According to Imam Ghozali (2018) multicollinearity test aims to test whether the regression model finds a correlation between independent variables.

c) Heteroscedasticity test

According to Imam Ghozali (2018) the heteroscedasticity test aims to test whether in the regression model there is an unequal variance in the residue from one observation to another.

3) Multiple Regression Analysis

Multiple linear regression analysis according to Sugiyono's explanation: 2006 (Dewi, Handayani, & Nuzula, t.t.) is an analysis conducted to find out whether in the regression analysis model there is a simultaneous influence between the independent variable and the dependent variable. The regression equation in this study can be formulated as follows:

$$Y = \alpha + \beta 1X1 + \beta 2X2 + \mu$$

4) F Statistical Test or Simultaneous Test

If the value of $F_{\text{arithmetic}} > F_{\text{table}}$ and the significance value <0.05 then there is a joint effect between the independent variables on the dependent variable.

5) T Statistical Test or Partial Test

There is a partial effect if the calculated t value is greater than the t table value and the significance value is below 0.05.

D. RESULT AND ANALYSIS

In this study using a period of 3 years of the total 43 companies listed on the Jakarta Islamic Index that met the sample selection criteria, only 13 companies met the criteria. A total of 26 companies have not consistently reported financial statements in 3 (three) years or there is data that is not available (incomplete data)

so that observations or data are excluded from the sample. The final number of research samples is 13 observations with the number of companies 43. Table 1 presents the names of companies included in the Jakarta Islamic Index sample. And on the FTSE Bursa Malaysia Hijrah Syariah Index, the author uses 10 samples of companies where those companies are the top 10 included in the FTSE Bursa Malaysia Hijrah Syariah Index. Table 2 presents the names of companies included in the Jakarta Islamic Index sample.

Table 1. Jakarta Islamic Index Sample

No.	The Company Name
1.	AKR Corporindo Tbk.
2.	Astra International Tbk.
3.	Bumi Serpong Damai Tbk.
4.	Indofood CBP Sukses Makmur Tbk.
5.	Indofood Sukses Makmur Tbk.
6.	Kalbe Farma Tbk.
7.	Matahari Departement Strore Tbk.
8.	PP (Persero)
9.	Semen Indonesia (Persero)
10.	Summarecon Agung Tbk.
11.	Telekomunikasi Indonesia (Persero) Tbk.
12.	United Tractors Tbk.
13.	Unilever Indonesia Tbk.

Table 2. FTSE Bursa Malaysia Index of Islamic Hijrah Sample

No.	The Company Name
1.	Tenaga Nasional
2.	PETRONAS Chemicals Group Bhd
3.	Axiata Group Bhd
4.	Digi.Com
5.	Sime Darby Plantation
6.	IHH Healthcare
7.	Maxis Bhd
8.	IOI
9.	Petronas Gas
10.	Kuala Lumpur Kepong

Descriptive Statistics Analysis

a. Jakarta Islamic Index

Descriptive statistics on the Jakarta Islamic Index can be seen in Table 3 as follows:

Table 3. JII Descriptive Statistics Results

	N	Minimum	Maximum	Mean	Std. Deviation
DAR	39	.16	.73	.4697	.14657
DER	39	.19	2.65	1.0236	.63760
Tobin's Q	39	.14	.42	.3128	.07225
Valid N (listwise)	39				

The SPSS output shows the number of respondents (N) there are 39, of the 39 smallest (minimum) DAR companies is 0.16, for the smallest DER (minimum) is 0.19, and for Tobin's Q itself is 0.14. and the largest DAR (maximum) is 0.73, while the largest DER (maximum) is 2.65, and for the largest Tobin's Q (maximum) is 0.42. the average DAR is 0.4697, for DER is 1.0236, and for Tobin's Q is 0.3128.

b. FTSE Bursa Malaysia Hijrah Syariah Index

Descriptive statistics on the FTSE Bursa Malaysia Hijrah Syariah Index can be seen in Table 4 as follows:

Table 4. Results of FTSE BMHSI Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
DAR	39	.16	.73	.4697	.14657
DER	39	.19	2.65	1.0236	.63760
Tobin's Q	39	.14	.42	.3128	.07225
Valid N (listwise)	39				

The SPSS display output shows the number of respondents (N) there are 39, out of the 39 smallest DAR companies (minimum) is 0.16, for the smallest DER (minimum) is 0.19, and for Tobin's Q itself is 0.14. and the largest DAR (maximum) is 0.73, while the largest DER (maximum) is 2.65, and for the largest

Tobin's Q (maximum) is 0.42. the average DAR is 0.4697, for DER is 1.0236, and for Tobin's Q is 0.3128.

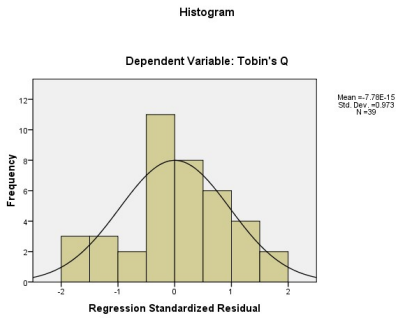
Classical Assumption Test

a. Jakarta Islamic Index

1. Normality Test

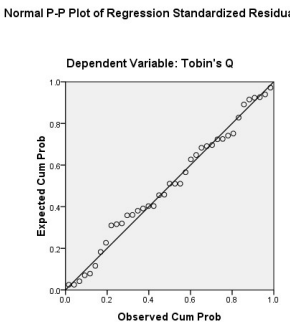
Testing for normality in this study was carried out using 3 methods. First by using the histogram graph test method. The results of the graph histogram test analysis can be seen in picture 1 as follows:

Picture 1. Normality Test Results (Histogram) JII



Based on the histogram picture above shows that the variable is normally distributed. This is indicated by the data in curved lines that form an inverted bell and the highest point on the curved line is parallel to 0. And the number of numbers next to 0 is equal to (equilibrium). Then second, use the Normal Probability Opportunity chart analysis. The graph analysis results of Normal Probability Opportunities can be seen in picture 2 as follows:

Picture 2. Test Results for Normality (P-P plot) JII



The normal probability plot graph in picture 2 above shows the dots that follow or approach the data along the diagonal line. This means the data has been normally distributed.

Finally, the third using Kolmogorov-Smirnov One-Sample statistical analysis (K-S test) on non-parametric tests. The results of the Kolmogrov-Smirnov statistical table analysis can be seen in Table 5 as follows:

Table 5. Results of the Kolmogrov-Smirnov JII

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		39
Normal Parametersa	Mean	0
	Std. Deviation	0.0053418
Most Extreme Differences	Absolute	0.1
	Positive	0.063
	Negative	-0.1
Kolmogorov-Smirnov Z		0.625
Asymp. Sig. (2-tailed)		0.83
a. Test distribution is Normal.		

Based on the Kolmogorov-Smirnov One-Sample test, the Asymp.Sig value was obtained. (2-tailed) of 0.830 > 0.05 which can be interpreted that the residual data has been normally distributed so that the same results are obtained with a histogram analysis and normal probability plot graph which shows that the regression model has fulfilled the normality assumption.

2. Multicollinearity Test

The results of the multicollinearity test can be seen in Table 6 as follows:

Table 6. Results of the JII Multicollinearity Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.055	.004		12.566	.000		
	DAR	.618	.016	1.254	38.267	.000	.141	7.073
	DER	-.032	.004	-.283	-8.642	.000	.141	7.073

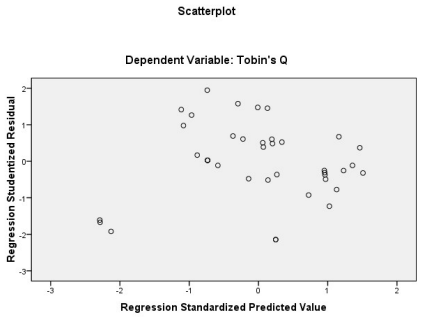
a. Dependent Variable: Tobin's Q

The results of the calculation of tolerance values indicate the absence of an independent variable that has a tolerance value of less than 0.10. the results of the calculation of the Variance Inflation Factor (VIF) value also showed the same thing in the absence of an independent variable that has a VIF value of more than 10. So, it can be concluded that there is no multicollinearity between the independent variables in the regression model.

3. Heteroscedasticity Test

Heteroscedasticity test results can be seen in picture 3 as follows:

Picture 3. Results of The JII Heteroscedasticity Test



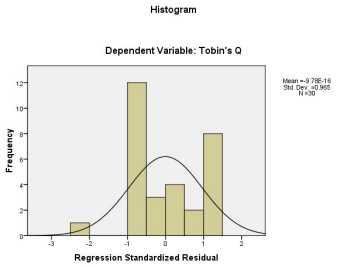
From the scatterplot graph, it is seen that the points spread randomly and are spread both above and below the number 0 and do not form a certain pattern above or below the number 0 on the Y-axis in the scatterplot graph. It can be concluded that there is no heteroscedasticity in the regression model so that the regression model is feasible to use.

b. FTSE Bursa Malaysia Hijrah Syariah Index

1. Normality Test

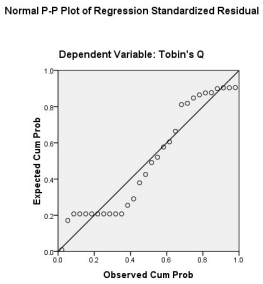
Testing for normality in this study was carried out using 3 methods. First by using the histogram graph test method. The results of the graph histogram test analysis can be seen in picture 4 as follows:

Picture 4. FTSE BMHSI Histogram Test Results



Based on the Histogram picture above shows that the variables are normally distributed. This is indicated by the data in a curved line that forms a reverse bell and the highest point on a curved line parallel to 0. Then second, using the Normal Probability Plot chart analysis. The Normal Probability Plot chart analysis results can be seen in picture 5 as follows:

Picture 5. FTSE BMHSI Normality Test (P-P Plot) Results



The normal probability plot graph in picture 2 above shows the dots that follow or approach the data along the diagonal line. This means the data has been normally distributed. For the third, using Kolmogorov-Smirnov One-Sample statistical analysis (K-S test) on non-parametric tests. The results of

the Kolmogorov-Smirnov statistical table analysis can be seen in Table 7 as follows:

Table 7. Results of the Kolmogorov-Smirnov FTSE BMHSI

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		30
Normal Parameters[a]	Mean	.0000000
	Std. Deviation	.02800983
Most Extreme Differences	Absolute	.168
	Positive	.168
	Negative	-.153
Kolmogorov-Smirnov Z		.918
Asymp. Sig. (2-tailed)		.368

a. Test distribution is Normal.

Based on the Kolmogorov-Smirnov One-Sample Test, the Asymp.Sig value was obtained. (2-tailed) of 0.368 > 0.05 which can be interpreted that the residual data has been normally distributed so that the same results are obtained with a histogram analysis and normal probability plot graph which shows that the regression model has fulfilled the normality assumption.

2. Multicollinearity Test

The results of the multicollinearity test can be seen in Table 8 as follows:

Table 8. Multicollinearity Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.024	.007		3.197	.004		
	DAR	.505	.048	.854	10.513	.000	.178	5.610
	DER	.041	.023	.141	1.738	.094	.178	5.610

a. Dependent Variable: Tobin's Q

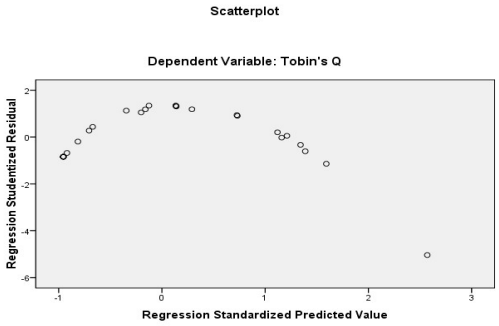
The results of the calculation of tolerance values indicate the absence of an independent variable that has a tolerance value of less than 0.10. the results of the calculation of the Variance Inflation Factor (VIF) value also showed

the same thing in the absence of an independent variable that has a VIF value of more than 10. So, it can be concluded that there is no multicollinearity between the independent variables in the regression model.

3. Heteroscedasticity Test

   Heteroscedasticity test results can be seen in picture 6 as follows:

Picture 6. Heteroscedasticity Test Results



From the scatterplot graph, it is seen that the points spread randomly and are spread both above and below the number 0 and do not form a certain pattern above or below the number 0 on the Y-axis in the scatterplot graph. It can be concluded that there is no heteroscedasticity in the regression model so that the regression model is feasible to use.

Multiple Linear Regression

a. R-Test

1. Jakarta Islamic Index

Table 9. R Test Results JII

Model Summary [b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.997[a]	.995	.994	.00549

a.Predictors: (Constant), DER, DAR

b.Dependent Variable: Tobin's Q

It is known from the results of the regression analysis that the magnitude of the coefficient of determination or R is equal to 0.997. This shows that there is a very strong relationship between DAR and DER on firm value.

2. FTSE Bursa Malaysia Hijrah Syariah Index

Table 10. FBHMSI R Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.984[a]	.968	.966	.02903	1.214

a. Predictors: (Constant), DER, DAR

b. Dependent Variable: Tobin's Q

It is known from the results of the regression analysis that the magnitude of the coefficient of determination or R is equal to 0.984. This shows that there is a very strong relationship between DAR and DER on firm value.

b. Determination Coefficient Test (Adjusted R Square)

1. Jakarta Islamic Index

Table 11. Determination Coefficient Test JII

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.997[a]	.995	.994	.00549

a. Predictors: (Constant), DER, DAR

b. Dependent Variable: Tobin's Q

It is known from the results of the regression analysis that the value of the coefficient of determination or Adjusted R Square is equal to 0.994. The magnitude of the coefficient of determination (Adjusted R Square) of 0.994 or equal to 99.4% means that the DAR (X1) and DER (X2) variables together influence the Tobin's Q (Y) variable by 99.4%. while the rest (100% - 99.4% = 0.6%) is

influenced by other variables outside this regression equation or variables not examined.

2. FTSE Bursa Malaysia Hijrah Syariah Index

Table 12. Determination Coefficient Test FBMHSI

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.984[a]	.968	.966	.02903	1.214

a. Predictors: (Constant), DER, DAR
b. Dependent Variable: Tobin's Q

It is known from the results of the regression analysis that the value of the coefficient of determination or Adjusted R Square is 0.966. The magnitude of the coefficient of determination (R Square) of 0.966 or equal to 96.6% means that the DAR (X1) and DER (X2) variables together influence the Tobin's Q (Y) variable by 96.8%. while the rest (100% - 96.6% = 3.4%) is influenced by other variables outside this regression equation or variables not examined.

c. F-Test

1. Jakarta Islamic Index

Table 13. F Test JII Results

Dependent Variable	Independent Variable	F Arithmetic	F Tabel (α=0.05, df:28, K:2)	Sig. F	Ho Decision
Tobin's Q	DAR & Der	3.275	3.25	0	Reject

Based on the table, it can be seen that the value of F arithmetic is 3,275, while the value of F table is 3.25. Comparison between F arithmetic with F table shows that F arithmetic > F table (3,275> 3.25), or the significance value (Sig) of 0,000 is smaller than 0.05

(0,000 <0.05) which means that H1 and H2 are accepted and H0 is rejected, meaning that the DAR and DER variables together have an influence on Tobin's Q ratio on the Jakarta Islamic Index.

2. FTSE Bursa Malaysia Hijrah Syariah Index

Table 14. F Test FBMHSI Results

Dependent Variable	Independent Variable	F arithmetic	F Table (α=0.05, df:28, K:2)	Sig. F	Ho Decision
Tobin's Q	DAR & Der	411.429	3,34	0	Reject

Based on the table, it can be seen that the value of F arithmetic is 411,429, while the value of F Table is 3.34. Comparison between F arithmetic with F table shows that F arithmetic > F table (411,429> 3.34), or a significance value (Sig) of 0,000 less than 0.05 (0,000 < 0.05) which means that H1 and H2 are accepted and H0 is rejected, meaning that the DAR and DER variables together have an influence on the Tobin's Q ratio on the FTSE Bursa Malaysia Hijrah Syariah Index in the 2016-2018 period.

d. T-Test

1. Jakarta Islamic Index

Table 15. T Test Results JII

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1(Constant)	.055	.004		12.566	.000		
DAR	.618	.016	1.254	38.267	.000	.141	7.073
DER	-.032	.004	-.283	-8.642	.000	.141	7.073

a. Dependent Variable: Tobin's Q

1) DAR variable

Tests conducted on the DAR variable indicate that partially this variable has an influence on the Tobin's Q ratio on the Jakarta Islamic Index (JII) for the 2016-2018 period so that H0 is rejected and H1 is accepted. This is indicated by the calculated value of the DAR variable that is equal to 38,267 has a greater value than the value of t table that is equal to 2.0289 or can be written with 38.267> 2.0289 and has a significance value (Sig) smaller than 0.05 which is equal to 0.000.

2) DER variable

Tests conducted on the DER variable showed that partially this variable had an influence on the Tobin's Q ratio on the Jakarta Islamic Index (JII) for the 2016-2018 period so that H0 was rejected and H2 was accepted. This is indicated by the calculated t-value of the DAR variable that is equal to -8,642 has a smaller value when compared to the value of t table that is equal to 2.0289 or can be written with -8,642 <2.0289 and has a significance value (Sig) smaller than 0,05 which is equal to 0,000.

Be observed from the results of multiple linear regression analysis shows that the unstandardized coefficients for the constant are 0.055, the DAR variable is 0.618 and the DER variable is -0.032 so that the regression equation can be written as follows:

$$Y = 0.055 + 0.618\ X1 - 0.032\ X2 + \mu$$

From the linear regression equation above it can be concluded that the independent variable (DAR and DER variables have an influence on the dependent variable), Tobin's Q. The DAR variable has an effect that is directly proportional to Tobin's Q with a positive coefficient. Whereas the DER variable has an inversely proportional effect on Tobin's Q marked with a negative coefficient.

2. FTSE Bursa Malaysia Hijrah Syariah Index

Table 16. T Test Results FBMHSI

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1	(Constant)	.024	.007		3.197	.004		
	DAR	.505	.048	.854	10.513	.000	.178	5.610
	DER	.041	.023	.141	1.738	.094	.178	5.610

a. Dependent Variable: Tobin's Q

1) DAR variable

Tests conducted on the DAR variable indicate that partially this variable has an influence on the Tobin's Q ratio on the FTSE of the Malaysia Hijrah Sharia Index in the 2016-2018 period so that H0 is rejected and H1 is accepted. This is indicated by the calculated t value of the DAR variable that is equal to 10,513 has a value greater than the value of t table that is equal to 2,051 or can be written with 10,513 > 2,051 and has a significance value (Sig) smaller than 0.05, i.e. of 0,000.

2) DER variable

Tests conducted on the DER variable showed that partially this variable had no effect on the Tobin's Q ratio on the FTSE Malaysia Hijrah Syariah Index for the 2016-2018 period so that H0 was accepted and H1 was rejected. This is indicated by the calculated t value of the DER variable which is 1,738 which has a smaller value compared to the value of t table that is equal to 2,051 or can be written with 1,738 <2,051 and has a significance value (Sig) greater than 0.05 namely amounted to 0.94.

Be observed from the results of multiple linear regression analysis shows that the unstandardized coefficients for the constant are 0.024, the DAR variable is 0.505 and the DER

variable is 0.041 so that the regression equation can be written as follows:

$$Y = 0.024 + 0.505\ X1 + 0{,}041\ X2 + \mu$$

From the linear regression equation above, it can be concluded that the independent variable (DAR and DER variables have an influence on the dependent variable), Tobin's Q. The DAR variable and the DER variable have a proportional effect on Tobin's Q with a positive coefficient.

E. CONCLUSSION

The independent variable DAR and DER have an influence on the value of the company on the Jakarta Islamic Index (JII) in the 2016-2018 period. This is indicated by the calculated T value of the DAR variable which has a greater value when compared to the value of T Table and has a significance value (Sig) that is smaller than 0.05.

The DAR variable is the only independent variable that has an influence on the firm value on the FTSE Bursa Malaysia Hijrah Syariah Index in the 2016-2018 period. This is indicated by the significance value of the DAR variable having a greater value compared to 0.05.

This research has several limitations that can be used as material for improvement in subsequent studies and become future research opportunities. Following are some limitations and as well as future research opportunities:

1. In this research, the authors only presented data from the Jakarta Islamic Index (JII) company and the FTSE Bursa Malaysia Hijrah Syariah Index. Future research can use other company classifications to be able data to obtain a larger.
2. In this research, the observation time was only carried out within a period of 3 years, namely from 2016-2018. In subsequent research can use a period of more than 3 years to be able to obtain a larger number of samples so that the results of the research will be more extensive.

In this research, only used 2 variables namely the DAR variable and the DER variable. The next researcher can use more than 2 variables to get even more maximum results.

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