ABSTRACT

Dwi Syahlani, NIM. 7213220039, ***The Influence of Free Cash Flow, Market to Book Ratio, and Firm Size on Cost of Equity in Manufacturing Companies Listed on the Indonesia Stock Exchange in 2024. Undergraduate Thesis, Department of Accounting, Accounting Study Program, Faculty of Economics, Universitas Negeri Medan, 2025.***

This study aims to analyze the influence of Free Cash Flow (FCF), Market to Book Ratio (MBR), and Firm Size on the Cost of Equity (CoE) in manufacturing companies listed on the Indonesia Stock Exchange in 2024. Cost of Equity is a key component of a company's capital structure, representing the expected return demanded by investors as compensation for risk. Amid global economic uncertainty and the increase of Bank Indonesia's benchmark interest rate in 2024, companies are required to manage their capital structure efficiently.

This research uses a quantitative approach with secondary data derived from companies' annual financial reports. The sample was determined using purposive sampling, resulting in 171 manufacturing companies. Data analysis was conducted using multiple linear regression with the assistance of SPSS version 26. The dependent variable, Cost of Equity, is measured using the Capital Asset Pricing Model (CAPM), while the independent variables are Free Cash Flow, Market to Book Ratio, and Firm Size.

The results show that Free Cash Flow has a negative effect on Cost of Equity, Market to Book Ratio has a negative effect, and Firm Size has a negative effect on Cost of Equity. Simultaneously, these three independent variables significantly influence Cost of Equity. These findings suggest that manufacturing firms need to consider their cash flow availability, market valuation, and scale of operations when making strategic decisions regarding their capital structure.

Keywords**: **Free Cash Flow, Market to Book Ratio, Firm Size, Cost of Equity, CAPM, Manufacturing Companies.

ABSTRAK

Dwi Syahlani, NIM. 7213220039, Pengaruh *Free Cash Flow*, *Market to Book Ratio* dan *Firm Size* terhadap *Cost Of Equity* pada Perusahaan Manufaktur di Bursa Efek Indonesia Tahun 2024. Skripsi, Jurusan Akuntansi, program Studi Akuntansi, Fakultas ekonomi, Universitas Negeri Medan, 2025.

Penelitian ini bertujuan untuk menganalisis pengaruh Free Cash Flow (FCF), Market to Book Ratio (MBR), dan Firm Size terhadap Cost of Equity (CoE) pada perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia tahun 2024. Cost of Equity merupakan salah satu komponen penting dalam struktur modal perusahaan karena mencerminkan tingkat pengembalian yang diharapkan investor atas risiko yang mereka tanggung. Dalam kondisi ekonomi global yang tidak stabil serta meningkatnya suku bunga acuan Bank Indonesia pada tahun 2024, perusahaan dituntut untuk dapat mengelola struktur permodalan secara efisien.

Penelitian ini menggunakan pendekatan kuantitatif dengan data sekunder yang diperoleh dari laporan keuangan tahunan perusahaan. Sampel ditentukan menggunakan metode purposive sampling dan diperoleh sebanyak 171 perusahaan manufaktur. Metode analisis data yang digunakan adalah regresi linear berganda dengan bantuan perangkat lunak SPSS versi 26. Variabel dependen dalam penelitian ini adalah Cost of Equity yang diukur menggunakan model Capital Asset Pricing Model (CAPM), sementara variabel independennya adalah Free Cash Flow, Market to Book Ratio, dan Firm Size.

Hasil penelitian menunjukkan bahwa Free Cash Flow berpengaruh negatif terhadap Cost of Equity, Market to Book Ratio berpengaruh negative terhadap Cost of Equity, dan Firm Size berpengaruh negatif terhadap Cost of Equity. Secara simultan, ketiga variabel independen tersebut berpengaruh signifikan terhadap Cost of Equity. Temuan ini memberikan implikasi bahwa perusahaan manufaktur perlu memperhatikan arus kas bebas, persepsi pasar, serta skala

operasional perusahaan dalam pengambilan keputusan strategis terkait struktur permodalan.

Kata Kunci: *Free Cash Flow*, *Market to Book Ratio, Firm Size, Cost of Equity, CAPM*, Perusahaan Manufaktur.