

ANALYSIS OF THE INFLUENCE OF CASH HOLDING, QUICK RATIO AND GROWTH OPPORTUNITY ON FIRM VALUE WITH ISLAMIC SOCIAL REPORTING AS A MODERATING VARIABLE (CASE STUDY ON COMPANIES LISTED ON THE JAKARTA ISLAMIC INDEX 70 (JII 70) FOR THE 2021-2022 PERIOD)



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ABSTRACT

This study aims to explore how cash holding, quick ratio, and growth opportunities collectively and individually influence firm value, with Islamic Social Reporting serving as a moderating factor. The research involved a sample of 40 companies listed on the Jakarta Islamic Index 70 during the 2021-2022 period, selected using purposive sampling. SPSS 26 was utilized for data analysis, employing quantitative methods such as Moderated Regression Analysis. Findings revealed that individually, only cash holding significantly impacted firm value. However, collectively, cash holding, quick ratio, and growth opportunities did not demonstrate a significant influence on firm value. Additionally, Islamic Social Reporting did not moderate the relationships between cash holding, quick ratio, growth opportunities, and firm value.

Keywords: *Cash Holding, Quick Ratio; Growth Opportunity; Islamic Social Reporting; Firm Value*

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INTRODUCTION

In maximizing profits, one way to obtain them is by investing. Analysis for investment evaluation can be seen from the firm's value. A company with a good financial position and value is a company with a high firm value, and vice versa (Dhani and Utama, 2017). Firm value reflects investors perception of the business, often linked to its stock price (Lase, 2019). Various metrics gauge a firm value, such as the Price to Book Value (PBV) ratio, which evaluates a company's stock price in relation to its book value per share. A high PBV signifies greater shareholder wealth, indicating the company has attained one of its objectives (Suwardika and Mustanda, 2017)

In the trading period of February 17, 2023, the Jakarta Islamic Index 70 (JII 70) was known to have a PBV below 1 time for 4 issuers out of its 30 members. Although not the only one, this indicator is often used as a reference to see the expensive or cheap valuation of a stock. Based on information from the Indonesia Stock Exchange compiled by DataIndonesia.Id on Friday (17/1), stocks with the lowest PBV were spread across three sectors, namely raw materials, primary consumer goods, and energy. (Winarni, 2023)

The Price to Book Value recorded only four members of the JII 70 Index with a ratio of stock price to book value below 1 time. The sharia stocks in the JII 70 Index that have the lowest PBV are PT Indah Kiat Pulp & Paper Tbk. (INKP) at 0.59 times. Its position was followed by PT Indofood Sukses Makmur Tbk. (INDF), which recorded a PBV of 0.65 times. In the third position is PT Perusahaan Gas Negara Tbk. (PGAS), which has a PBV of 0.72 times. In the fourth position, there is PT Adaro Energy Indonesia Tbk. (ADRO) with a PBV of 0.99 times. Meanwhile, in the fifth position is PT United Tractors Tbk. (UNTR) with a PBV of 1.09 times. Next, there is the PBV of PT Barito Pacific Tbk. (BRPT), which is 1.14 times. As for PT Semen Indonesia (Persero) Tbk. (SMGR) with a PBV value of 1.22 times. In the last position of the top eight is occupied by PT Timah Tbk. (TINS) with a PBV of 1.31 times. For the PBV calculation, the IDX divides the stock price by the book value (BV). The BV is obtained by dividing total equity by the number of outstanding shares. (Winarni, 2023)

In June 2023, the Composite Stock Price Index (IHSG) on a year-to-date basis is still trapped in the red zone with a decrease of 2.76% and parked at the level of 6,661.8 in the last trading session. Data from the Indonesia Stock Exchange (IDX) shows a trading transaction value of Rp1,007 trillion in the regular market, out of a total of 1.81 trillion shares traded throughout the current year. In line with the IHSG, the performance of the Sharia Jakarta Islamic Index 70 (JII 70), which contains leading Sharia stocks, is also recorded in the red zone with a decrease of 7.75% to 542.46. The following data shows that there are 10 companies in the Jakarta Islamic Index 70 (JII 70) that have the cheapest PBV, indicating that the company's stock is cheap because it is still lower than the book value. (Fadli, 2023)

Table 1
List of 10 JII 70 stocks with the cheapest Price to Book Value (PBV) in June 2023

No.	Company Code	Company Name	Price To Book Value
1.	INDY	Indika Energy	0,53 times
2.	INKP	Indah Kiat Pulp and Paper	0,54 times
3.	ADRO	Adaro Energy Indonesia	0,71 times
4.	PGAS	Pertamina Gas Negara	0,78 times
5.	SMGR	Semen Indonesia Persero	0,95 times
6.	UNTR	United Tractors	0,96 times
7.	EXCL	XL Axiata	0,99 times
8.	PTBA	Bukit Asam	1,04 times
9.	ITMG	Indo Tambangraya Megah	1,09 times
10.	BRMS	Bumi Resources Minerals	1.11 times

Source: Properti Berita Mediatama Indonesia, 2023

Cash holdings are suspected to have an influence on firm value in this study. A company's cash holdings relate to the company's efforts to minimize external funding costs. With a large amount of cash, investments can be financed first with internal funding sources, and if it is insufficient, external funding is used. Without sufficient internal funds, companies with high external financing can eliminate investment opportunities, decreasing firm value and reducing shareholder wealth. (Sapitri, 2022)

Richard et al (2022) research states that cash holdings have a positive effect on firm value because larger cash holdings are considered a cautious attitude and the ability of managers to invest in profitable activities. However, Rahmaniar (2022) found that cash holdings do not affect firm value, indicating that investors don't view cash holdings as an important factor in their investments because cash holdings are susceptible to potential misuse by corporate executives.

Ramadhanty (2020) research found that quick ratio does not affect firm value, which means the company's liquidity doesn't influence an increase in its value. High liquidity can actually make funds idle and be viewed as a negative signal by investors because the company has to bear capital costs (Arif, 2015). However, Devi (2022) research states that the quick ratio significantly impacts firm value.

Another factor that is suspected to influence firm value is the company's growth opportunity. Growth opportunity or company growth is the opportunity for a company to grow in the future. A high growth rate is considered positive because it shows that the company is enjoying increasing sales and market share. Growth information is responded to positively by investors, increasing stock demand and firm value (Saraswati, 2016). Wiranoto (2021) research shows that growth opportunity contributes to firm value, with the expectation that future expenditures will generate substantial returns. However, Irnawati et al (2023) found that growth opportunity negatively affects firm value, indicating that excessive asset growth leads to a decrease in value because the company cannot utilize assets properly.

To enhance firm value, companies must actively communicate details about their operations. This information disclosure often includes Islamic Social Reporting (ISR), which sets standards for reporting on a company's social performance aligned with Islamic principles. Investors are particularly interested in social information disclosed in annual reports. Research by Setiawan, et al (2018) supports the assertion that Islamic Social Reporting (ISR) positively impacts firm value. Meanwhile, according to research conducted Sutapa and Heri (2018) states that Islamic Social Reporting (ISR) Islamic Social Reporting (ISR) does not influence firm value.

Given the background provided, this study aims to demonstrate the individual and collective impacts of cash holdings, quick ratio, and growth opportunity on firm value and to determine the ability of Islamic Social Reporting to moderate cash holdings, quick ratio, and growth opportunity on firm value.

LITERATURE REVIEW, RESEARCH FRAMEWORK, AND HYPOTHESES

Cash Holding

Cash holding is cash money needed to meet the needs of daily operational activities, and can also be used for several purposes, namely distributed to shareholders in the form of cash dividends, repurchasing shares when needed, and for other urgent needs (Christina and Ekawati, 2014). The measurement of cash holdings is obtained from most previous studies, such as Opler et al (1999), Dittmar et al (2002), and Ferreira and Vilela (2004). Cash holdings are quantified by comparing or dividing cash and cash equivalents by total assets, with net assets calculated as assets minus total cash and cash equivalents. (Saddour, 2006)

Quick Ratio

Quick ratio evaluates a company's ability to settle its current obligations using its current assets, excluding the value of inventory. This ratio serve as an assessment tool used by investors or creditors to assess whether the funds invested in the company can be returned by the company at maturity. If not, investors or creditors will not invest their funds in the company. Quick ratio is calculated by current assets less inventory minus current liabilities. (Brigham dan Houston, 2019)

Growth Opportunity

Growth opportunity is a company's capability to sustain its economic standing amidst economic growth and within its industry. Company growth is a sign that the company has profitable aspects because it is considered capable of generating better profits over several periods of time (Ramdhonah, Solikin and Sari, 2019). In this research, growth opportunity is calculated thorough profit growth, by calculating the difference between the current period's profit and the previous period's profit, then dividing by the prior period's profit (Kasmir, 2019)

Islamic Social Reporting

Islamic Social Reporting (ISR Index) was first introduced by Haniffa (2002) and then developed by Othman, et al (2009). The ISR index denotes reporting guidelines derived from the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), initially published in Governance Standard No. 7 and subsequently refined by subsequent researchers. (Alfiyanti, 2023). This research uses the ISR index which is an adaptation from Haniffa (2002) and Othman et al (2009) previously with several adjustments by Wardani and Sari (2018). The ISR Index contains disclosure items consisting of six themes: society, products and services, finance and investment, employees, environment and corporate governance.

Firm Value

Firm value according to Sartono (2010) is how an investor perceives a company's success is typically tied to its share prices. A high share price signifies high company value, increasing trust among external parties or investors. Maximizing firm value is crucial as it equates to maximizing shareholder prosperity, which remains a primary goal for

companies. Thus, firm value reflects investors' perception of a company's success, frequently aligned with its share prices. (Hery, 2017). In this research, firm value is calculated using price to book value, specifically by dividing the market price per share by the book value per share.

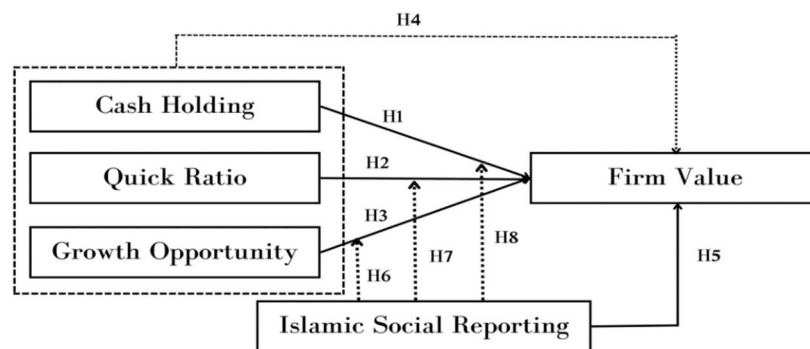
Hypothesis

Based on the identified problems and objectives to be attained, The hypothesis presented in this study can be articulated as follows:

- H1 = Cash Holding Has an Influence on Firm Value
- H2 = Quick Ratio Has an Influence on Firm Value
- H3 = Growth Opportunity Has an Influence on Firm Value
- H4 = Simultaneous Influence of Cash Holding, Quick Ratio, and Growth Opportunity on Firm Value
- H5 = Islamic Social Reporting (ISR) Has an Influence on Firm Value
- H6 = The Effect of Cash Holding on Firm Value with Islamic Social Reporting (ISR) as a Moderating Variable
- H7 = The Effect of Quick Ratio on Firm Value with Islamic Social Reporting (ISR) as a Moderating Variable
- H8 = The Effect of Growth Opportunity on Firm Value with Islamic Social Reporting (ISR) as a Moderating Variable

Research Framework

The structure model of the hypothesis can be drawn in Figure 1.



Source: Data collected and analyzed by the author, 2024

Figure 1
Research Framework

METHOD

This quantitative research utilizes secondary data sourced from published annual reports and financial reports of companies that are listed on the Jakarta Islamic Index 70 (JII 70) between 2021 and 2022. The data were gathered from the official website of the Indonesia Stock Exchange, www.idx.co.id. The study population comprises 85 companies consecutively listed on the Jakarta Islamic Index 70 during the specified period. The sample selection used non-probability sampling, which was conducted through purposive sampling, resulting in 40 samples with 20 companies multiplied by 2 periods.

The independent variables are cash holding (X1), quick ratio (X2), and growth opportunity (X3), which are proxied by profit growth, the dependent variable is firm

value (Y), which is proxied by Price to Book Value (PBV), and the moderating variable is Islamic Social Reporting (Z).

For this study, the method employed for data collection is documentation. The approach utilized for data analysis is quantitative analysis, which involves analyzing data in numerical form and using statistics (Sugiyono, 2017). The data analysis tool used in this study is the Statistical Package For The Social Science (SPSS) software, version IBM SPSS 26. The researcher will analyze the data collected and organized using descriptive statistical tests, multiple linear regression analysis, tests for classical assumptions, hypothesis testing, and Moderated Regression Analysis (MRA).

RESULTS AND DISCUSSION

Descriptive Analysis

Descriptive statistical analysis is used to summarize data by presenting the mean, standard deviation, minimum, and maximum values. This study employs descriptive statistics to describe the main research variables, calculating the mean to estimate the population average, minimum and maximum to represent the smallest and largest values, and standard deviation to measure the deviation of data from the mean (Ghozali, 2018). The sample in this study consists of companies listed on the Jakarta Islamic Index 70 (JII 70) for the years 2021-2022.

Table 2
Descriptive Analysis

	<i>Descriptive Statistics</i>				
	N	Minimum	Maximum	Mean	Std. Deviation
Cash Holding	40	.01	.54	.1732	.10523
Quick Ratio	40	.01	6.28	1.8597	1.41983
Growth Opportunity	40	.01	11.57	1.7460	2.61766
Firm Value	40	.29	7.05	1.5673	1.29961
Islamic Social Reporting	40	.29	.71	.4650	.09427
Valid N (listwise)	40				

Source: Results of data processing with SPSS, 2024

a. Independent Variable

Cash holding variable has a minimum value of 0.01 at Lippo Karawaci Tbk. in 2021, a maximum value of 0.54 at Indo Tambangraya Megah Tbk. in 2022, a mean value of 0.1732, and a standard deviation of 0.10523. Quick ratio variable shows a minimum value of 0.01 at Bank Bri Syariah Indonesia Tbk. in 2021, a maximum value of 6.28 at PP London Sumatra Indonesia Tbk. in 2022, a mean value of 1.8597, and a standard deviation of 1.41983. Growth opportunity variable has a minimum value of 0.01 at Lippo Karawaci Tbk. in 2022, a maximum value of 11.57 at Indo Tambangraya Megah Tbk. in 2021, a mean value of 1.7460, and a standard deviation of 2.61766.

b. Dependent Variable

Firm value variable has a minimum value of 0.29 at Lippo Karawaci Tbk. in 2022, a maximum value of 7.06 at Merdeka Copper Gold Tbk. in 2021, a mean value of 1.2996, and a standard deviation of 1.33284.

c. Moderating Variable

Islamic Social Reporting variable has a minimum value of 0.29 at Mitra Adiperkasa Tbk., a maximum value of 0.71 at Bank Bri Syariah Indonesia Tbk. in 2021, a mean value of 0.4650, and a standard deviation of 0.9427.

Classic Assumption Test

The classical assumption test aims to ensure that in the regression model, both dependent and independent variables are normally distributed, free from multicollinearity, and do not exhibit heteroscedasticity. The tests conducted include normality, heteroscedasticity, multicollinearity, and autocorrelation tests. (Ghozali, 2018).

Table 3
Classis Assumption Test

Classic Assumption Test	Method	Results	Conditions	Information
Normality	Kolmogorov-Smirnov	Asymp. Sig. (2-tailed) 0.200	Sig > 0.05	Normally distributed
Multicollinearity	VIF and Tolerance Cash Holding (X1) Quick Ratio (X2) Growth Opportunity (X3) Islamic Social Reporting (Z)	1.116 and 0.896 1.225 and 0.816 1.102 and 0.908 1.097 and 0.912	VIF < 10 Tolerance > 0.10	Multicollinearity does not occur
Heteroscedasticity	Glejser Test Cash Holding (X1) Quick Ratio (X2) Growth Opportunity (X3) Islamic Social Reporting (Z)	0.331 0.189 0.552 0.323	Sig > 0.05	Heteroscedasticity does not occur
Autocorrelation	Durbin Watson	1.099	$0 < d < dl$	No Autocorrelation

Source: Results of data processing with SPSS, 2024

Based on table 3 the Asymp. Sig. (2-tailed) significance value of 0.200 is greater than 0.05, indicating that the data in this study are normally distributed. The VIF values for all variables are less than 10 and the tolerance is greater than 0.10, indicating that the data are free from multicollinearity. The significance values of all variables are greater than 0.05, meaning there is no heteroscedasticity. Table shows a Durbin-Watson (DW) value of 1.099, which falls between the d_u (1.7859) and d_l (1.2305) values, indicating that no autocorrelation exists in this study.

Hypothesis Tests

Partial Significant Test (t Test)

The test is conducted to assess the individual impact of each independent variable on the dependent variable. The decision rule is based on the t-significance value: if $t < 0.05$, H_a is accepted, indicating a significant effect; if $t > 0.05$, H_a is rejected, indicating no significant effect between the independent and dependent variables. (Ghozali, 2018).

Table 4
Partial Significant Test

		<i>Coefficients^a</i>				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	.363	.245		1.478	.148
	Cash Holding	.405	.172	.384	2.352	.024
	Quick Ratio	-.129	.104	-.213	-1.242	.222
	Growth Opportunity	.016	.076	.034	.209	.836
	Islamic Social Reporting	-.211	.588	-.058	-.359	.722

a. Dependent Variable: Firm Value

Source: Results of data processing with SPSS, 2024

Based on the test results, it can be inferred that:

1. The cash holding variable has a t-statistic of 2.352, indicating a significance value of 0.024. This indicates that the cash holding variable is statistically significant at the 0.05 level ($0.024 < 0.05$). The findings show that the cash holding variable has a significant effect on firm value, so the hypothesis stating that cash holding affects firm value (H1) is accepted.
2. The quick ratio variable has a t-statistic of -1.242, indicating a significance value of 0.222. This indicates that the quick ratio variable is not statistically significant at the 0.05 level ($0.222 > 0.05$). The findings show that quick ratio variable does not have a significant effect on firm value, so the hypothesis stating that quick ratio affects firm value (H2) is rejected.
3. The growth opportunity variable has a t-statistic of 0.209, indicating a significance value of 0.836. This indicates that the significance of the growth opportunity variable is greater than 0.05 ($0.836 > 0.05$). The findings show that growth opportunity variable does not have a significant effect on firm value, so the hypothesis stating that growth opportunity affects firm value (H3) is rejected.
4. The Islamic Social Reporting variable has a t-statistic of -0.359, indicating a significance value of 0.722. This suggests that the significance of the Islamic Social Reporting variable exceeds 0.05 ($0.722 > 0.05$). The results show that Islamic Social Reporting variable does not have a significant effect on firm value, so the hypothesis stating that Islamic Social Reporting affects firm value (H5) is rejected.

Simultaneous Test

The F-statistic test is used to assess the joint effect of independent variables on the dependent variable (Ghozali, 2018). The regression coefficient test is used to evaluate the model's adequacy through the F-test. The F-test is performed by examining the F significance value in the regression output using SPSS with a significance level of 0.05 ($\alpha = 5\%$). If the F significance is greater than α , the regression model is not fit; if it is smaller, the model is considered fit. (Ghozali, 2018).

Table 5
Simultaneous Significant Test

		<i>ANOVA^a</i>				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.635	3	.212	2.279	.096 ^b
	Residual	3.345	36	.093		
	Total	3.980	39			

a. Dependent Variable: Firm Value

b. Predictors: (Constant), Growth Opportunity, Cash Holding, Quick Ratio

Source: Results of data processing with SPSS, 2024

The findings of the F-test indicate a significance value of 0.096, which exceeds 0.05. Therefore, it shows that the independent variable cash holding, quick ratio, and growth opportunity do not collectively influence the dependent variable, namely firm value, so the hypothesis stating that cash holding, quick ratio, and growth opportunity together have an effect on firm value (H4) is rejected.

Coefficient of Determination (R²)

The coefficient of determination measures how well the model explains the variation in the dependent (Ghozali, 2018). The larger the coefficient of determination, the better the independent variables explain the dependent variable. In the SPSS output, the coefficient of determination is found in the model Summary table, under R square. (R²) can be interpreted as follows: if it approaches 1, the contribution of the independent variables to the dependent variable is strong; if it approaches 0, the contribution weakens.

Table 6
R-Squared Test

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.400 ^a	.160	.090	.30481

a. Predictors: (Constant), Growth Opportunity, Cash Holding, Quick Ratio

Source: Results of data processing with SPSS, 2024

According to the F-test results, the coefficient of determination, reflected in the R-square value of 0.160 (16%), suggests that the independent variables cash holding, quick ratio, and growth opportunity only account for 16% of the variance in the dependent variable, firm value. The remaining 84% of the variance is influenced by other variables not incorporated into the research model. This R-square value of 0.160 indicates a diminished collective impact of the independent variables on the dependent variable.

Moderated Regression Test (Moderate Regression Analysis-MRA)

Moderated Regression Analysis (MRA) according to Ghozali (2018) involves interaction regression, where the moderator variable does not act as an independent variable. If the test result shows a negative beta from the interaction of Z and X on Y, the moderator variable Z weakens the effect of X on Y, although this effect is not significant. If the beta is positive, the moderator variable Z strengthens the effect of X on Y. This study uses three independent variables (Cash Holdings, Quick Ratio, and Growth Opportunity), the dependent variable (Firm Value), and Islamic Social Reporting (ISR) disclosure as the moderating variable.

Table 7
MRA Regression Analysis

		<i>Coefficients^a</i>				
Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients		
1	(Constant)	.291	.123		2.374	.023
	Cash Holding moderated by Islamic Social Reporting	-.701	.391	-.288	-1.794	.081
	Quick Ratio moderated by Islamic Social Reporting	.150	.357	.067	.419	.677
	Growth Opportunity moderated by Islamic Social Reporting	-.098	.209	-.076	-.470	.641

a. Dependent Variable: Firm Value

Source: Results of data processing with SPSS, 2024

Drawing from the test outcomes, it can be inferred that:

1. For the variable of cash holding on firm value moderated by Islamic Social Reporting, the significance value is 0.081, which indicates that $0.081 > 0.05$. This suggests that Islamic Social Reporting does not significantly interact with cash holding nor does it relate to firm value. Therefore, Islamic Social Reporting acts as a non-significant moderator, leading to the non-acceptance of the hypothesis stating the influence of cash holding on firm value moderated by Islamic Social Reporting (H6) is rejected.
2. For the variable of quick ratio on firm value moderated by Islamic Social Reporting, the significance value is 0.677, indicating that $0.677 > 0.05$. This suggests that Islamic Social Reporting does not significantly interact with quick ratio nor does it relate to firm value. Therefore, Islamic Social Reporting acts as a non-significant moderator, leading to the non-acceptance of the hypothesis stating the influence of quick ratio on firm value moderated by Islamic Social Reporting (H7) is rejected.
3. For the variable of growth opportunity on firm value moderated by Islamic Social Reporting, the significance value is 0.641, indicating that $0.641 > 0.05$. This suggests that Islamic Social Reporting does not significantly interact with growth opportunity nor does it relate to firm value. Therefore, Islamic Social Reporting acts as a non-significant moderator, leading to the non-acceptance of the hypothesis stating the impact of growth opportunities on firm value moderated by Islamic Social Reporting (H8) is rejected.

The Effect of Cash Holding on Firm Value

This study asserts that cash holding positively influences firm value among companies listed on the Jakarta Islamic Index 70. This implies that any level of cash reserves held by a company can affect its value, as an increase in cash holdings positively impacts the company's value, while a decrease in cash holdings can lead to a reduction in its value.

This finding aligns with the study by Emanuel et al (2022), which states that the cash holding parameter held by a company provides confidence to investors regarding the company's good liquidity level. A large amount of cash indicates that the company can meet its short-term obligations, thereby reducing the potential for financial difficulties and the risk of bankruptcy in the future. Additionally, a company having or holding a large amount of cash does not necessarily mean that the company lacks a strategy for developing its

investments, whether through the acquisition of fixed assets, investments in other companies, or acquisitions. Furthermore, managers are more cautious in their high-risk investments because they strive to maintain the company's sustainability in the future. Therefore, this action aligns with the expectations of shareholders.

The Effect of Quick Ratio on Firm Value

In this research, it is stated that the quick ratio does not influence the firm value of companies listed on the Jakarta Islamic Index 70, which means that regardless of the quick ratio value held by the company, it is unable to affect the firm value. Whether a company has a smaller or larger quick ratio, it will not impact the increase in the firm's value.

These findings align with research conducted by Sarinah et al (2019), which states that the quick ratio does not significantly influence firm value (PBV). This implies that the company's ability to meet its obligations does not affect the book value per share because it is caused by the inventory account being the slowest to convert into cash (it must first go through the accounts receivable stage) and its value has a low level of certainty (inventory prices may not be as listed on the balance sheet, especially for goods in process inventory).

The Effect of Growth Opportunity on Firm Value

In this study, it is stated that quick ratio does not have an impact on firm value among firms listed on the Jakarta Islamic Index 70, which means that any value of quick ratio held by a company is unable to affect its value because if a company has a quick ratio that is either smaller or larger, it will not have a positive impact on the company's value.

This study's findings are supported by the research by Yusmantiarti et al (2021), which states that quick ratio does not have a significant influence on firm value (PBV). This means that a company's speed in meeting its obligations does not affect the book value per share because it is caused by the inventory's longest period to change into cash (which must first go through the form of accounts receivable) and the low certainty of its value (the inventory price may not be as stated in the balance sheet, especially for inventory in the process of production).

The Simultaneous Effect of Cash Holding, Quick Ratio and Growth Opportunity on Firm Value

In this reserach, it is stated that there is no simultaneous or combined effect among the variables of cash holding, quick ratio, and growth opportunity on firm value among firms listed on the Jakarta Islamic Index 70. Simultaneously, the three variables are only able to explain 16% of the firm value variable, which can be caused by the fact that the results of each variable's test only show that cash holding has a significant influence on firm value, while quick ratio and growth opportunity variables do not have an impact on firm value, because quick ratio does not reflect the book value per share, and high growth opportunity actually reduces investor confidence, thereby weakening the contribution of these variables to firm value.

The Effect of Islamic Social Reporting on Firm Value

In this study, it is stated that Islamic Social Reporting does not have an impact on firm value among companies listed on the Jakarta Islamic Index 70, which means that the amount or lack of Islamic Social Reporting disclosure in companies does not affect the rise or fall of firm value.

The disclosure of Islamic Social Reporting among the companies sampled from the Jakarta Islamic Index 70 remains relatively limited from a Sharia perspective. This is

primarily due to the fact that much of the Islamic Social Reporting disclosure is still in its theoretical phase, with no established criteria that companies can adopt for implementing social responsibility based on Islamic principles. Additionally, the awareness of the sample companies is still low, even if they have joined the DES (Daftar Efek Syariah), and many views from Muslim investors will become expectations as an addition to the Sharia aspects in their annual reports (Rosmiasih and Ersyafdi, 2023). This does not align with the legitimation theory, which states that companies should show that they consider their social environment in their business operations to create a good relationship between the two (Putri, 2018). Through Islamic Social Reporting, companies should be able to obtain additional legitimacy in the eyes of society that expects companies to follow Islamic ethical and social principles, thereby increasing the company's image and providing positive community support, which can contribute to the increase in firm value.

The Effect of Cash Holding on Firm Value with Islamic Social Reporting (ISR) as a Moderating Variable

According to the Moderated Regression Analysis (MRA) in this study, it is stated that the influence of cash holding on firm value is unable to be mediated by Islamic Social Reporting variable. Islamic Social Reporting variable here is a moderator homologizer, which is the role of a variable that does not moderate or influence (does not strengthen or weaken) the connection between cash holding and firm value in a significant manner.

This indicates that changes in firm value are not directly caused by Islamic Social Reporting influencing cash holding because the direct influence of cash holding is able to affect firm value, but it does not mean that Islamic Social Reporting is able to strengthen or weaken this relationship. This aligns with the study conducted by Harahap (2022). This study is supported by the study by Farihah (2023), which suggests that fluctuations in Islamic Social Reporting disclosure, whether increased or decreased, do not impact the relationship between the independent and dependent variables. In essence, investor decisions regarding investments are not solely influenced by the extent of Islamic Social Reporting disclosure among companies over a specific period. Therefore, Islamic Social Reporting has not yet demonstrated its role as a moderating variable in the relationship between cash holding and firm value.

The Effect of Quick Ratio on Firm Value with Islamic Social Reporting (ISR) as a Moderating Variable

According to the findings from the Moderated Regression Analysis (MRA) in this study, it was found that the influence of the quick ratio on firm value is not mediated by the Islamic Social Reporting variable. The Islamic Social Reporting variable functions as a moderator homologizer, meaning it does not significantly enhance or diminish the relationship between the quick ratio and firm value.

This study aligns with the research concept by Akmalia and Kartika (2020), which indicates that firm value, closely tied to shareholder prosperity, correlates with the stock price. A high stock price suggests a strong company, prompting firms to use quick ratios to attract investors. Despite some companies having high Islamic Social Reporting scores, it does not enhance the impact of quick ratios on firm value. These findings are consistent with Setiawan et al (2018) earlier study, demonstrating that financial performance does not moderate the effect of Islamic Social Reporting on firm value.

The Effect of Growth Opportunity on Firm Value with Islamic Social Reporting (ISR) as a Moderating Variable

According to the findings from the Moderated Regression Analysis (MRA) conducted in this study, it was found that the influence of growth opportunities on firm value is not mediated by the Islamic Social Reporting variable. The Islamic Social Reporting variable serves as a moderator in this context, indicating that it does not significantly enhance or diminish the relationship between growth opportunities and firm value.

This study aligns with the research by Fitriani and Purnamasari (2023), which, if interpreted in this study, indicates that whether a company has a high or low level of Islamic Social Reporting does not influence the relationship between growth opportunities and firm value. This is because investors do not look at Islamic Social Reporting disclosure when making investment decisions, nor are they interested in the company's growth opportunity. It is known that a company experiencing growth opportunity will require a significant amount of funds, so for short-term investors, they want a high return or profit from their investment in a short period. However, in running the company, it can generate additional costs, even high costs, and will be considered detrimental to short-term investors because the company's profit is used for operational costs. Therefore, investors will be reluctant to invest in a company that experiences high growth opportunity, which will impact the rise or fall of the stock price and can decrease the company's value.

CONCLUSION AND SUGGESTION

According to the results and analysis provided in this study, several conclusions can be drawn. Specifically, cash holding is the only variable that shows a significant positive impact on firm value. However, collectively, cash holding, quick ratio, and growth opportunities do not influence firm value. Additionally, Islamic Social Reporting does not mediate the connection between cash holding, quick ratio, and growth opportunities and firm value.

Future researchers are advised to broaden their sample to encompass a wider range of industries beyond those listed on the Jakarta Islamic Index 70, extend the observation period beyond two years, and incorporate additional variables in assessing their impact on firm value, given that the independent variables examined in this study showed no significant simultaneous or partial effects. The study's results are expected to serve as a consideration for investors in evaluating companies not only based on firm value alone, but also environmental, social, and Shariah compliance, such as Islamic Social Reporting variable, as an additional consideration in investing, especially for firms listed on the Jakarta Islamic Index 70.

In the process and outcomes of this study, several limitations were found that need to be considered by future researchers to improve the study. These limitations include the limited sample size of the study, which only included firms listed on the Jakarta Islamic Index 70, and therefore did not reflect the general condition of other industries, the limited number of samples, which was only 20 companies from a population of 85, the limited observation period, which was only 2 years, and therefore did not reflect the condition over time outside of that period, and the limited variables used, which only accounted for 16% of the impact of independent variables on dependent variables, indicating that many other variables that affect firm value have not been studied.

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