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Exposing Company Value's Hidden Factors: The Effect of Revaluing Fixed Assets and Important Determinants

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Abstract
This study examines the impact of the Investment Opportunity Set, Liquidity, Ownership Structure, and Company Size on Company Value in firms conducting Fixed Asset Revaluations on the Indonesian Stock Exchange (2015-2022). Using a quantitative approach with hypothesis testing, the research analyzes 211-panel data samples through multiple linear regression. Findings reveal that Ownership Structure does not significantly affect Company Value, while the Investment Opportunity Set, Liquidity, and Company Size have a partial influence. The study contributes to financial literature by highlighting the role of fixed asset revaluation in modifying company value. Additionally, it provides insights for policymakers in shaping revaluation policies and serves as a key reference for businesses considering asset revaluation.

Keywords: Fixed Assets Revaluation, Firm Value, Investment Opportunity Set, Liquidity, Company Size.

Mengungkap Faktor Tersembunyi dari Nilai Perusahaan: Efek Revaluasi Aset Tetap dan Penentu Penting

Abstrak
Studi ini mengkaji dampak dari Investment Opportunity Set, Likuiditas, Struktur Kepemilikan, dan Ukuran Perusahaan terhadap Nilai Perusahaan pada perusahaan yang melakukan Revaluasi Aset Tetap di Bursa Efek Indonesia (2015-2022). Dengan menggunakan pendekatan kuantitatif dengan pengujian hipotesis, penelitian ini menganalisis 211 sampel data panel melalui regresi linier berganda. Temuan mengungkapkan bahwa Struktur Kepemilikan tidak berpengaruh signifikan terhadap Nilai Perusahaan, sementara Set Peluang Investasi, Likuiditas, dan Ukuran Perusahaan memiliki pengaruh parsial. Studi ini berkontribusi pada literatur keuangan dengan menyoroti peran revaluasi aset tetap dalam memodifikasi nilai perusahaan. Selain itu, penelitian ini memberikan wawasan bagi pembuat kebijakan dalam merumuskan kebijakan revaluasi dan menjadi referensi utama bagi bisnis yang mempertimbangkan revaluasi aset.

Kata Kunci: Revaluasi Aset Tetap, Nilai Perusahaan, Set Kesempatan Investasi, Likuiditas, Ukuran Perusahaan.

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INTRODUCTION

Revaluation of fixed assets is the process of reviewing the value of a company's fixed assets due to an increase in their market value (Lin. Y.C., & Peasnell, n.d.). This policy reflects the actual condition of the assets, as revaluation records them based on the latest market value. Revaluation of fixed assets should provide positive information to the company's external parties, as it not only indicates improved company performance but is also reflected in increased company profits and stock prices. Thus, the revaluation of fixed assets is expected to enhance the positive perception of investors and other stakeholders toward the company (Wiriartha, I.B.A., Widyastuti, T., & Daito, 2022).

The manufacturing industry in Indonesia is experiencing rapid growth. In its development, companies in this industry require significant funds. One way to obtain such funds is by implementing fixed asset revaluation, which can improve company performance. Through the revaluation of fixed assets, the book value of the company's assets will reflect the current fair value, which is generally higher than the historical cost. The increase in asset value will strengthen the company's financial position on the balance sheet, thereby enhancing its borrowing capacity because the revalued assets can be used as collateral for larger loans from banks or financial institutions. (Wijaya, 2021) revealed that companies that conduct fixed asset revaluations tend to experience an increase in equity and market value compared to companies that do not conduct revaluations. Moreover, fixed asset revaluation also has a positive impact on the company's financial performance, as reflected in increased net profit and stock price (Permata, I. S., & Baharuddin, 2023).

However, the implementation of fixed asset revaluation in the Indonesian manufacturing industry is still relatively minimal. Research by (Fathmaningrum, F., & Ningrum, 2023) revealed that out of a sample consisting of 304 manufacturing companies in Indonesia during 2019-2020, only a small portion chose to conduct fixed asset revaluation. The low interest of manufacturing companies in Indonesia in conducting asset revaluation is caused by several main factors, including the need to consider substantial costs for independent public appraisal services (KJPP), the final income tax burden on revaluation surplus that can strain cash flow, and the increase in depreciation expenses in the future that can affect profitability. Additionally, the technical and administrative complexity in the revaluation process, especially for manufacturing companies with thousands of fixed assets, is a serious consideration. Furthermore, a study by (Setiani, A. D. P., Nurhayati, & Helliana, 2020) shows that factors such as leverage, liquidity, and fixed asset intensity influence the company's decision to revalue fixed assets; yet, many companies are still reluctant to do so.

Fixed assets are an important element in the company's operations. Post-recognition measurement according to PSAK No. 16 (IAI, 2023) requires entities to choose between the cost model or the revaluation model as their accounting policy and to apply it consistently to all fixed assets within the same class. Revaluation is carried out periodically to ensure that the carrying amount does not differ significantly from the fair value at the end of the reporting period (Bakri, B, 2020). The selection of this measurement model is consistently applied to all assets within the same class.

The revaluation of fixed assets is an important accounting process that reflects the current market value of a company's assets. In Indonesia, many companies listed on the Indonesia Stock Exchange have not yet optimally utilized fixed asset revaluation, despite evidence that it can enhance company performance and attract investors. However, there remains uncertainty regarding the factors that influence a company's decision to conduct fixed asset revaluation and its impact on company value.

Based on the aforementioned points, this research formulates several issues for investigation. First, it seeks to identify the influence of the Investment Opportunity Set, Liquidity, Ownership Structure, and Company Size on a company's decision to conduct fixed asset revaluation. The selection of these variables is based on several theoretical and empirical considerations, as will be evident in the literature review. The Investment Opportunity Set is chosen because it reflects the company's growth potential; companies with high investment opportunities tend to require greater funding which can be facilitated through asset revaluation. Liquidity is an important variable because it reflects a company's ability to meet its short-term obligations; companies with low liquidity might choose revaluation to strengthen their financial position. Ownership Structure is considered because it can influence the company's strategic decision-making, including accounting policies like asset revaluation. Meanwhile, Company Size was chosen because it reflects the complexity and scale of operations which can influence the company's needs and capabilities in conducting fixed asset revaluation. Next, this research investigates how the revaluation of fixed assets can affect company value. Finally, it examines whether the revaluation of fixed assets functions as an intervening variable in the relationship between these factors and company value.

Thus, the purpose of this study is to examine in greater detail the factors influencing a firm's decision to carry out fixed asset revaluation in greater detail as well as the challenges the company encountered during the process. These challenges highlight the need to have a deeper understanding of the elements impacting business decisions and how to overcome the issues. Thus, it is expected that this study will offer useful suggestions for encouraging more Indonesian manufacturing firms to use fixed asset revaluation as one of their performance-enhancing strategies.

Previous research has shown a relationship between fixed asset revaluation and company value, but research analyzing the factors influencing the revaluation decision within Indonesian manufacturing industry remains limited (Aziz, N. A., & Yuyetta, 2017), (Yulistia, R., Fauziati, P., Minovia, A. F., & Khairati, 2015). Additionally, many studies do not consider factors such as Ownership Structure and Company Size simultaneously in the context of fixed asset revaluation (Nugraha, V.A., & Susanto, 2024). Therefore, this study aims to fill this gap by providing a more comprehensive analysis of the factors influencing fixed asset revaluation decisions and their impact on company value.

This research offers a novel approach by combining the analysis of Investment Opportunity Set, Liquidity, Ownership Structure, and Firm Size in the context of fixed asset revaluation. Using panel data from companies listed on the Indonesia Stock Exchange during the period 2015-2022, this research not only explores the direct relationship between these factors and firm value but also investigates the role of fixed asset revaluation as an intervening variable. The findings of this study are expected to provide new insights for company managers and policymakers regarding the importance of fixed asset revaluation in enhancing company value.

Literature Review

Revaluation of fixed assets is a policy step that reflects the factual condition of a company's fixed assets, reassessed according to the current market value. Revaluation of fixed assets should provide positive information for both internal and external parties of the company. In addition to potentially driving improvements in company performance, this is also reflected in increased company's profits and stock prices. Several studies related to asset revaluation have stated that it has a significant impact on company value (Fathmaningrum, F., & Ningrum, 2023) ; (Trisandy, 2023) ; (Setiani, A. D. P., Nurhayati, & Helliana, 2020).

In the past five years, research by (Hussain, S., Hoque, M. E., Susanto, P., Watto, W.A., Haque, S., & Mishra, 2022) found that the revaluation of fixed assets has a positive relationship with increased company value in the manufacturing industry. This is consistent with the findings of (Fathmaningrum, F., & Ningrum, 2023) and (Setiani, A. D. P., Nurhayati, & Helliana, 2020), which assert that higher fixed asset revaluation leads to higher company value, thereby providing a more accurate picture of asset value and, in turn enhancing positive investor perception.

In making the policy of revaluing fixed assets, several variables warrant special considerations and also influence the policy, including the Investment Opportunity Set (IOS), liquidity, company ownership structure, and company size. The Investment Opportunity Set (IOS) has a significant positive impact on a company's decision to revalue fixed assets indicating that greater investment opportunities increase the likelihood of revaluation (Das, S., & Dhole, 2024) ; (Hanafi, A. M., & Nursiam, 2024). In this study, the Investment Opportunity Set is measured using the market-to-book value of equity ratio. Thus, the first hypothesis of this study states:

H1: The influence of the Investment Opportunity Set on the revaluation of fixed assets

Conversely, liquidity is inversely related to the likelihood of conducting fixed asset revaluation. Companies with low liquidity tend to revalue fixed assets more frequently, whereas companies with high liquidity may not perceive a need for such revaluations (Chen, Y., Ng, J., & Wang, 2024) ; (Bin. H., Liansheng, Z., & Juncheng, 2022). Revaluation of fixed assets provides more up-to-date information regarding the potential cash obtainable from asset sales, thereby increasing the company's borrowing capacity and reducing borrowing costs. Therefore, the second hypothesis of this study is:

H2: The Influence of Liquidity on the Revaluation of Fixed Assets

Related to ownership structure, in some countries with weak legal protection for investors, ownership concentration becomes a substitute for such protection. Iatridis & Kilirgiotis (2012) reveal that companies with concentrated ownership tend to be more selective in their asset revaluation decisions, considering the direct impact on the wealth of controlling shareholders. This indicates that ownership structure influences revaluation decisions not only from an oversight perspective but also from the perspective of shareholders' economic interests. The findings of Nurjanah (2016) indicate that institutional ownership positively affects revaluation decisions because institutional investors have better monitoring capabilities and encourage management to make decisions that enhance company value. Therefore, the third hypothesis of this study is:

H3: The Influence of Ownership Structure on Fixed Asset Revaluation

Company size is also an important factor in the decision to revalue fixed assets. Larger companies tend to revalue their fixed assets because this better reflects their true value. Previous research supports this finding, Derrien, F., Fresard, L., Slabik, V., & Valta, (2023); Cho, H., Chung, J. R., & Kim, (2021); Rahman, M. T., & Hossain, (2020), found that large companies are more likely to revalue fixed assets to enhance market value and investor confidence. Company value reflects investors' views on the company's success, often linked to stock prices. When stock prices are high, the company's value also increases, which in turn boosts market confidence in the company's prospects. Thus, the fourth hypothesis of this study is:

H4: The influence of Company Size on the Revaluation of Fixed Assets

Next, this research uses Positive Accounting Theory to explain the motivation for asset revaluation (Chen, S., & Zhao, 2023). This theory explains the process of using accounting skills, understanding, and knowledge, as well as the most appropriate accounting policies to address specific future conditions. The objective of Positive Accounting Theory is to explain and predict accounting practices. A company might change its accounting method from historical cost to fair value, among other things, to minimize contracting costs. Asset revaluation can be used to lower the debt-to-equity ratio to avoid the costs of debt failure and can serve as a signal of company's growth.

Positive Accounting Theory (PAT) is one of the several positive theories in accounting. Positive theory seeks to explain and predict specific phenomena. PAT is important because it provides information to decision-makers regarding accounting policies, namely corporate managers, public accountants, lenders, investors, financial analysts, and regulators, with predictions and explanations of the consequences of decisions. The primary test of Positive Accounting Theory is its usefulness. Users employ theories that enhance their welfare until a more beneficial theory is developed.

PAT focuses on the relationships between various individuals involved in providing resources to an organization, and how accounting is used to facilitate the functioning of relationships between individuals within the organization (Tiwari, N., & Akhil, 2023). The relationship between the owner (provider of capital) and the manager (provider of managerial services), or the relationship between the manager and the company's lender. The owner (principal) as the party delegating decision-making to the manager (agent) is known as the agency relationship.

Based on positive accounting theory, this research formulates several hypotheses related to the topic under study, namely that the revaluation of fixed assets acts as a mediating variable that can increase company value by enhancing investor confidence and providing positive signals regarding the company performance and prospects. This research can strengthen the evidence that fixed asset revaluation is an effective strategy to enhance company value and financial performance, as well as provide more accurate and transparent information for stakeholders.

METHOD

Research Design

In order examine theories or hypotheses and support or challenge preexisting theories or hypotheses, this research employs a literature study design with an explanatory method. The goal of this explanatory study is to gather facts, explanations, and knowledge concerning unknown issues. It is anticipated that the findings of this study will offer a precise explanation in line with the intended goals.

The population in this study consists of manufacturing companies listed on the Indonesia Stock Exchange (IDX) over six periods, from 2015 to 2022. For data collection, Simple Random Sampling was used, giving each member of the population an equal chance of being selected for the sample. This method is ideal for avoiding bias and providing a good representation of the population (Sugiyono, 2022). All the data used in this study, such as company value, Investment Opportunity Set, Ownership Structure, Company Size, and asset revaluation value, were obtained from the company's annual report and manually calculated to derive the ratio values used in the analysis.

Therefore, the selection of the 2015 to 2022 period for this study is based on considerations of economic stability, data availability, changes in accounting policies, the need for comprehensive trend analysis, and alignment with previous research. This research is expected to provide more accurate and in-depth insights into the factors influencing fixed asset revaluation decisions in manufacturing companies listed on the IDX.

The data analysis method applied in this study is Structural Equation Modelling (SEM), conducted using the Partial Least Square (PLS) version 2.0 statistical software. Before conducting data analysis, the initial step was to test instrument quality, including validity and reliability.

Operationalization Variable

This research uses one dependent variable, namely company value, and four independent variables: investment opportunity set, liquidity, and company size (Yulistia, R., Fauziati, P., Minovia, A. F., & Khairati, 2015), as well as one intervening variable.

Table 1. *Variable Operationalization*

Variable	Proxy	Measurement	Scale
Dependent			
Company's value (Z)	Tobin Q	$\text{Tobin Q} = \text{Market capitalization value} + \frac{\text{Total Debt}}{\text{Total Aset}}$	Ratio
Independent			

Variable	Proxy	Measurement	Scale
Investment Opportunity Set (X1)	MBVE	$\text{MBVE} = \frac{\text{Outstanding Share x Stock Closing Price}}{\text{Total Equity}}$	Ratio
Liquidity (X2)	Quick Ratio	$\text{QR} = \frac{\text{Current Assets} - \text{Stocks}}{\text{Current Liabilities}}\ x\ 100\%$	Ratio
Ownership Structure (X3)	Majority	majority ownership, percentage of shares owned by majority ownership of more than 50%.	Ratio
Company's value (X4)	Total Asset	Total Asset = Total aktiva Logarithm.	Ratio
Intervening			
Asset Revaluation (Y)	Total of Asset Revaluation	Total of Asset Revaluation = Total of Asset Revaluation Logarithm	Ratio

FINDINGS AND DISCUSSION

HYPOTHESIS TESTING

Hypothesis testing in this study was conducted using SEM analysis, and the test results were compared with the predetermined value limits. The results of this study's complete model testing and hypotheses are presented in Figure 1. Based on the hypothesis testing results in Table 1, it can be explained as follows:

a) Hypothesis 1 explains the effect of the Investment Opportunity Set on the revaluation of fixed assets. Based on the data processing results, the path coefficient value is 0.023, the t-statistic value is 0.800 < t-table 1.65, and the p-value is 0.424 > α 0.10. Therefore, H0 is accepted and H1 is rejected, which means this hypothesis is not supported. The research results indicate that the Investment Opportunity Set does not have a significant impact on the company's decision to revalue fixed assets. This indicates that the company does not consider the Investment Opportunity Set as a primary factor in the decision to revalue fixed assets. This may be due to the company's focus on other fundamental factors that directly influence long-term growth and profitability (Permata, I. S., & Heriansyah, 2022).

   Moreover, companies often prioritize strategies that can directly enhance operational efficiency and market competitiveness, rather than solely focusing on the revaluation of fixed assets. This outcome indicates that although fixed asset revaluation can provide short-term benefits on financial statements, companies are more focused on factors such as operational performance, innovation, and growth strategies that directly impact long-term success (Farida, I., & Setiawan, 2022) ; (Hutahayan, 2020). In this context, the decision to conduct a revaluation of fixed assets can be considered a less relevant step compared to other strategic actions that are more likely to support the sustainability and growth of the company in the long term.

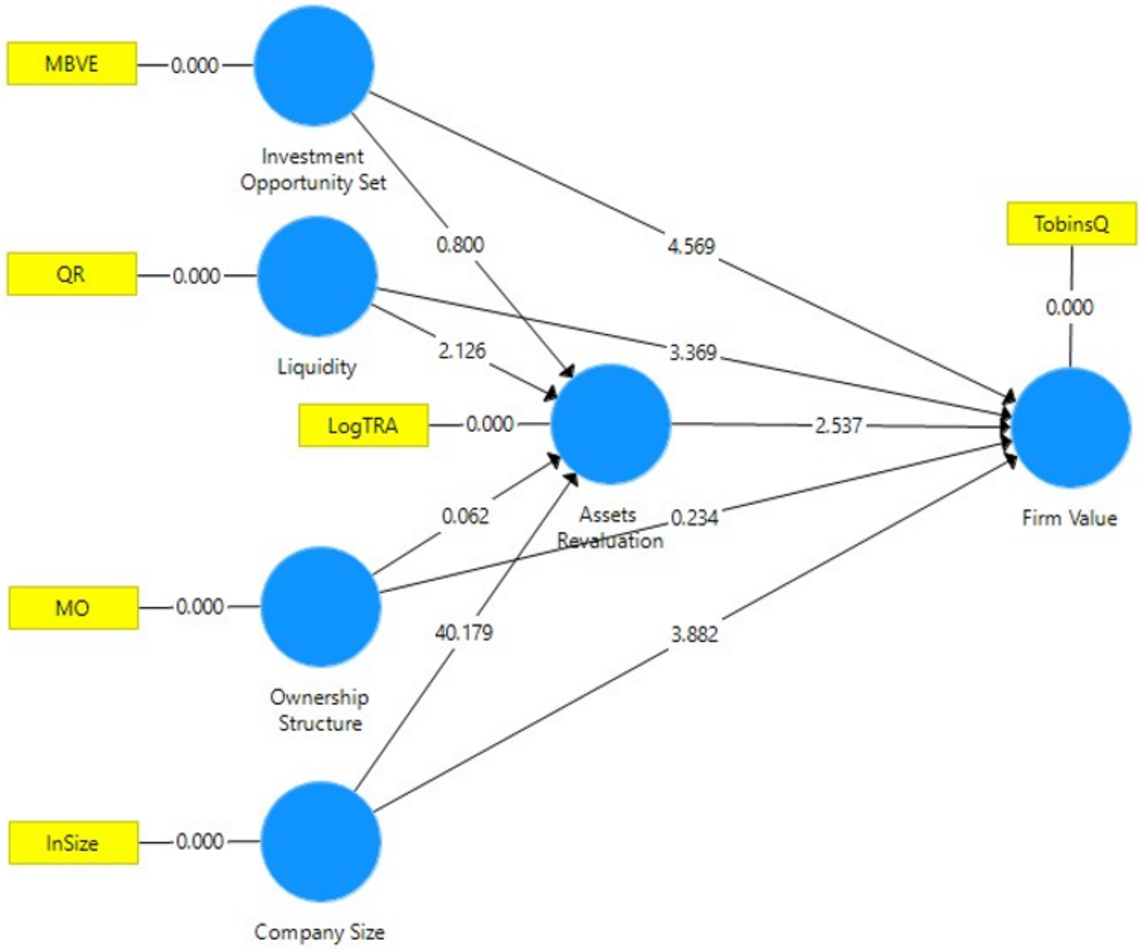

Figure 1. Full Structural Model Results (Standardized Output) – Bootstrapping

b) Hypothesis 2 explains the effect of liquidity on the revaluation of fixed assets. Based on the data processing results, the path coefficient value is 0.088, the t-statistic value is 2.126 > t-table 1.65, and the p-value 0,034 < α 0.10. Thus, H0 is rejected and H2 is accepted, which means this hypothesis is supported. This means that the liquidity variable has a significant effect on the revaluation of fixed assets. This means that companies with high liquidity are more likely to revalue their fixed assets. Chen, Y., Ng, J., & Wang, (2024) show that companies with high liquidity utilize fixed asset revaluation to strengthen their financial position and enhance credibility in the eyes of creditors and investors.

Trisandy (2023) even identified that companies with high liquidity tend to find it easier to obtain external funding after conducting a revaluation of fixed assets. This indicates that companies that actively conduct revaluations can take advantage of market conditions and improve their bargaining position in seeking funding sources. Thus, the revaluation of fixed assets can be considered a strategic step that not only impacts the financial statements but also the overall funding strategy of the company.

c) Hypothesis 3 explains the influence of ownership structure on the revaluation of fixed assets. Based on the data processing results, the path coefficient value is -0.002, the t-statistic value is 0.062 < t-table 1.65, and the p-value is 0.951 > α 0.10. Thus, H0 is accepted and H3 is rejected, which means this hypothesis is not supported. This means that the ownership structure variable does not have a significant effect on the revaluation of fixed assets. This indicates that both concentrated and dispersed ownership do not directly influence the company's decision to revalue fixed assets. Rahman, M. T., & Hossain, (2020) argue that revaluation decisions are more influenced by other internal factors such as financial conditions and management policies. Meanwhile, Rahman, M. T., & Syed, (2023) argue that concentrated ownership is not always related to fixed asset revaluation decisions, as majority shareholders may be more focused on control and operational management rather than changes in the accounting value of assets.

d) Hypothesis 4 explains the effect of company size on the revaluation of fixed assets. Based on the data processing results, the path coefficient value is 0.854, the t-statistic value is 40.179 > t-table 1.65, and the p-value is 0.000 < α 0.10. Thus, H0 is rejected and H4 is accepted, which means this hypothesis is supported. This means that larger companies tend to revalue their fixed assets more frequently compared to smaller companies, as larger companies have more resources and incentives to ensure that the value of their assets reflects the actual market value (Derrien, F., Fresard, L., Slabik, V., & Valta, 2023; Cho, H., Chung, J. R., & Kim, 2021). These results indicate that larger companies are more likely to conduct revaluations of fixed assets as part of their strategy to enhance financial transparency and attract investor interest. Revaluation of fixed assets allows large companies to provide a more accurate and reliable picture of the value of their assets, which in turn can enhance the confidence of investors and other stakeholders (Rahman & Hossain, 2020).

e) Hypothesis 5 explains the effect of the Investment Opportunity Set on the value of the company with fixed asset revaluation as an intervening variable. Based on the data processing results, the path coefficient value is -0.006, the t-statistic value is 0.716 < t-table 1.65, and the p-value is 0.474 > α 0.10. Thus, H0 is accepted and H5 is rejected, which means this hypothesis is not supported. This shows that although the revaluation of fixed assets was carried out, it did not succeed in mediating the influence of the Investment Opportunity Set on the company's value. These results indicate that although the revaluation of fixed assets can provide more accurate information about the value of the company's assets, it is not sufficient to mediate the relationship between the Investment Opportunity Set and the company's value. Companies may focus more on other strategies that directly affect the company's value, such as investment in innovation, improvement of operational efficiency, and risk management (Rahman, M. T., & Syed, 2023; Rahman, M. T., & Hossain, 2020). In many cases, revaluation can be carried out for accounting or compliance purposes, which do not always directly relate to the company's growth or development strategy. Therefore, although IOS does not influence asset revaluation, asset revaluation can still provide better information about the Company's financial position.

f) Hypothesis 6 explains the effect of liquidity on company value with fixed asset revaluation as an intervening variable. Based on the data processing results, the path coefficient value is 0.024, the t-statistic value is 1.674 > t-table 1.65, and the p-value is 0.095 < α 0.10. Thus, H0 is rejected and H6 is accepted, which means this hypothesis is supported. This means that liquidity has a significant effect on the value of the company with the revaluation of fixed assets as an intervening variable. Companies with high liquidity are more likely to revalue fixed assets, which in turn increases the company value. Permata, I. S., & Baharuddin, (2023) identified that good liquidity allows companies to take advantage of fixed asset revaluation opportunities to increase equity value and strengthen positive investor perception of the company's prospects. These results indicate that liquidity is an important factor in increasing the value of the company, especially when the company uses fixed asset revaluation as a strategy to strengthen its financial position and boost investor confidence (Rahman, M. T., & Syed, 2023). Revaluation of fixed assets provides more accurate information about the value of the company's assets, which can ultimately increase the company's value in the eyes of investors and other stakeholders (Rahman, M. T., & Hossain, 2020)
g) Hypothesis 7 explains the effect of ownership structure on company value with fixed asset revaluation as an intervening variable. Based on the data processing results, the path coefficient value is -0.001, the t-statistic value is 0.054 < t-table 1.65, and the p-value is 0.957 > α 0.10. Thus, H0 is accepted and H7 is rejected, which means this hypothesis is not supported. This means that the ownership structure does not have a significant impact on the company's value with fixed asset revaluation as an intervening variable. This indicates that neither concentrated nor dispersed ownership affects the company's decision to conduct fixed asset revaluation. Thus, this study concludes that ownership structure is not the main determining factor in the decision to revalue fixed assets (Wiriartha, I.B.A., Widyastuti, T., & Daito, 2022) and that fixed asset revaluation does not mediate the influence of ownership structure on the value of companies in manufacturing firms listed on the Indonesia Stock Exchange. The decision to conduct a revaluation of fixed assets is likely influenced by other factors such as liquidity, market conditions, and management policies that are more directly related to the company's financial performance and prospects (Rahman, M. T., & Syed, 2023; Rahman, M. T., & Hossain, 2020).
h) Hypothesis 8 explains the effect of company size on company value with fixed asset revaluation as an intervening variable. Based on the data processing results, the path coefficient value is 0.233, the t-statistic value is 2.498 > t-table 1.65, and the p-value is 0.013 < α 0.10. Thus, H0 is rejected and H8 is accepted, which means this hypothesis is supported. This means that the size of the company has a significant impact on the value of the company with fixed asset revaluation as an intervening variable. This means that larger companies tend to revalue fixed assets, which in turn increases the company's value. Derrien, F., Fresard, L., Slabik, V., & Valta, (2023) found that larger companies are more likely to revalue fixed assets to reflect their true market value, which can enhance financial transparency and attractiveness to investors, as well as increase the

company's value. Cho, H., Chung, J. R., & Kim, (2021) identified that large companies with good financial performance more frequently revalue fixed assets as a strategy to enhance market value and competitiveness, which in turn increases the company's value. These results indicate that large companies are more likely to conduct fixed asset revaluations as part of their strategy to enhance financial transparency and attract investor interest. Revaluation of fixed assets allows large companies to provide a more accurate and reliable picture of the value of their assets, which in turn can enhance the confidence of investors and other stakeholders (Rahman, M. T., & Hossain, 2020).

CONCLUSION

This study aims to analyze the influence of the Investment Opportunity Set, liquidity, ownership structure, and company size on fixed asset revaluation and company value, with fixed asset revaluation as the intervening variable. The research results found that the Investment Opportunity Set and ownership structure do not have a significant effect on fixed asset revaluation. On the contrary, liquidity and company size have a significant impact on the revaluation of fixed assets. In addition, liquidity and company size also significantly affect company value with fixed asset revaluation as an intervening variable. The research results also indicate that companies with high liquidity and large size are more likely to conduct fixed asset revaluations, which may, in turn, increase company value. On the other hand, the Investment Opportunity Set and ownership structure do not directly influence either the decision to revalue fixed assets or company value through fixed asset revaluation.

This research has several limitations that should be considered. First, this research only includes manufacturing companies listed on the Indonesia Stock Exchange during the 2014-2019 period, so the results may not be generalizable to different sectors or time periods. Second, this study uses secondary data from financial statements, which may have limitations in terms of accuracy and completeness. Third, other variables that may affect the revaluation of fixed assets and the value of the company, such as government policies and macroeconomic conditions, are not included in this research model.

This research provides several important implications for practitioners and academics. For practitioners, the results indicate that liquidity and company size are important factors to consider in fixed asset revaluation decisions. Company managers need to consider the liquidity and scale of their company when planning fixed asset revaluation strategies to enhance the company's value. For academics, this research contributes to the literature on the influence of financial factors on fixed asset revaluation decisions and company value. This research also highlights the importance of fixed asset revaluation as an intervening variable in the relationship between liquidity, company size, and company value. This research can serve as a foundation for further studies exploring other variables that may fixed asset revaluation and company value.

Based on the research results, several recommendations can be made. First, companies should focus on improving their liquidity and scale of operations to better leverage the benefits of fixed asset revaluation. Second, further research should be conducted by incorporating other variables such as government policies, macroeconomic conditions, and industry factors to provide a more comprehensive understanding of the factors influencing the revaluation of fixed assets and the value of the company. Third, future researchers are advised to use a longer research period and include various industrial sectors to enhance the generalization of the research results.

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