



Determinants of Business Risk in Pandemi Era

Eni Suharti^{1*}, Ahmad Fadli², Dhea Zatira³, Zulman Hakim⁴

¹ Faculty of Economic and Business, Muhammadiyah University of Tangerang, Indonesia, email: suharti_eni@yahoo.co.id

² Faculty of Economic and Business, Muhammadiyah University of Tangerang, Indonesia, email: afadli9812@gmail.com

³ Faculty of Economic and Business, Muhammadiyah University of Tangerang, Indonesia, email: dhea.zatira7@gmail.com

⁴ Faculty of Economic and Business, Muhammadiyah University of Tangerang, Indonesia, email: mohamadzulmanhakim7@gmail.com

*Corresponding Author: Eni Suharti

Abstract: To determine the effect of investment decisions, funding decisions and company size on business risk in hotel, restaurant and inn division companies recorded on the Indonesia Stock Trade, the period utilized in this think about is 5 (five) a long time, beginning from 2017-2021. This think about employments a quantitative approach. The populace in this think about is 35 companies in the hotel, restaurant and hotel sector which are still recorded on the Indonesia Stock Trade for the period 2017-2021. The sampling technique used was purposive sampling and a sample of 12 companies was obtained. The information examination method utilized is board information relapse examination with the assistance of the Eviews 9 and SPSS programs. The results of the study show that investment decisions have no effect on business risk and are not significant. Funding decisions have a positive and significant effect on business risk and company size has no effect on business risk and is not significant on business risk. Simultaneously investment decisions, funding decisions and company size have a positive and significant effect on business risk in the 2017-2021 period.

Keywords: Business Risk, Investment Decision, Funding Decision and Company Size

INTRODUCTION

During the Covid-19 pandemic, almost all companies experienced uncertain situations, this uncertainty was in accordance with the VUCA theory (Volatility, Uncertainty, Complexity, Ambiguity) where companies were faced with situations that changed suddenly and were unpredictable due to this situation or condition. appears without any signs and the company does not know the uncertainty when it will end, causing the company to experience various problems and the company cannot make decisions. During the Covid-19 pandemic,

many companies experienced increased business risk. this can be caused by changes in the external and internal environment that are rapid and increasingly complex towards a risk (Sanjaya & Linawati, 2015), this will have an affect on the data that financial specialists will capture. Companies that have good financial information can provide signals that can attract more investors to invest in the company. Good information is usually characterized by high profits, but behind high profits, of course, there are also high risks that must be borne by the company. Risk is something that is certain to be experienced and cannot be avoided by companies in running their business, companies that want high profits must also be prepared to take high risks as well. Management must be able to find alternatives that offer high returns with a certain level of risk, or those that offer a certain level of return with low risk. In dealing with risks in existing company conditions, companies need to investigate management tools that can manage risk (Drozdowski et al., 2021)

Risk management has the goal of creating Analysis of revenue fluctuation, operating expense variability, and operational leverage can reveal factors that influence whether a firm has a high or low business risk (Gallati, 2022). The application of risk management can indeed be a very beneficial practice for companies. However, there are limitations to consider. There are many risk analysis techniques that can be used to examine the limitations of risk management, such as if the financial manager wants reduced business risk, the actions that must be taken are to stabilize sales, stabilize operating costs, and reduce company leverage (Utomo & Hanggraeni, 2021). These three variables are is a factor that can cause the rise and fall of business risk.

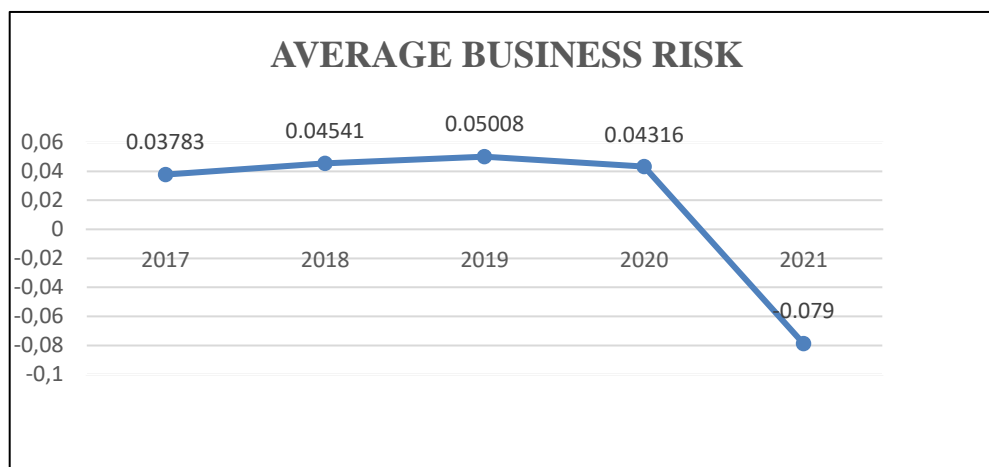
By assessing the variation in the firm's earnings, the business risk of the company may be identified. Businesses that endure fluctuating profits are apprehensive about their capacity to raise funds to pay off their loans to creditors. Companies that have a lot of debt will result in an increased risk of bankruptcy. Business risk also arises in line with the emergence of costs incurred on loans made by companies. The greater the The larger the economic load that the corporation must bear, the greater the risk. From the table below it can be described the business risks that occur in the firms recorded on the Indonesia Stock Trade within the hotel, restaurant, and tourist subsector.

Table 1. Business Risks of Hotel, Restaurant and Tourism Sector Companies in 2017-2021

No	Code	Company Name	Years				
			2017	2018	2019	2020	2021
1	BAYU	Bayu Buana Tbk	0.052	0.056	0.064	0.073	0.004
2	FAST	Fast Food Indonesia Tbk	0.088	0.06	0.093	0.092	-0.124
3	ICON	Island Concepts Indonesia Tbk	0.015	0.043	0.089	0.113	0.022
4	JSPT	Jakarta Setiabudi Internasional Tbk	0.06	0.051	0.096	0.029	-0.041
5	KPIG	MNC Land Tbk	0.126	0.085	0.04	0.01	0.009
6	PDES	Destinasi Tirta Nusantara Tbk	0.083	0.09	0.016	-0.034	-0.307
7	PGLI	Pembangunan Graha Lestari Tbk	0.013	0.031	0.092	0.094	-0.067
8	PJAA	Pembangunan Jaya Ancol Tbk	0.065	0.09	0.079	0.088	-0.093
9	PNSE	Pudjadi & Sons Tbk	0.005	0.057	-0.016	-0.025	-0.125
10	PSKT	PT Red Planet Indonesia Tbk	-0.085	-0.068	-0.045	-0.025	-0.053
11	PTSP	Pioneerindo Gourmet International Tbk	0.031	0.048	0.092	0.111	-0.135

12	SHID	Hotel Sahid Jaya Tbk	0.001	0.002	0.001	-0.008	-0.036
Average			0.03783	0.04541	0.05008	0.04316	-0.079

Source: www.idx.co.id (processed data)



Source: processed data

Figure1. Average Business Risk

From the table and graph above, business risks in hotel and tourism sub-sector companies can be caused by several factors, such as: social restrictions by the government, closure of tourist objects, and physical distancing. and domestic decreased, as a result the company's income and turnover fell, in the end the company failed to return. When Covid-19 was in widespread use, the businesses in the hotel, restaurant, and tourism niches had to prepare a new strategy so that they could survive so as not to dissolve into a downturn. Companies that have risks Low business with high returns will attract more investors to invest. Factors that can affect the high or low business risk of a company can be analyzed from sales variability, operating cost variability and operating leverage (Grau & Reig, 2021). Figure 1.1 shows that the average business risk firms in the hotel, restaurant, and tourist industries that list on the Indonesia Stock Trade between 2017 and 2021 is still relatively small because it is still below the number 0.05 and for 2021 it is classified as at the level of risk requiring control management.

The Pandemic of COVID-19 has also caused companies in the inn and tourism sub-sector to experience a decline in investment decisions, as shown in the graph below:

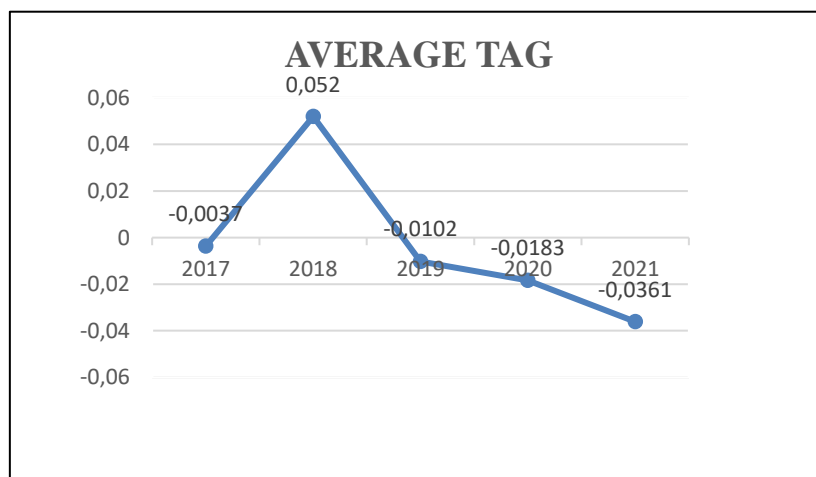
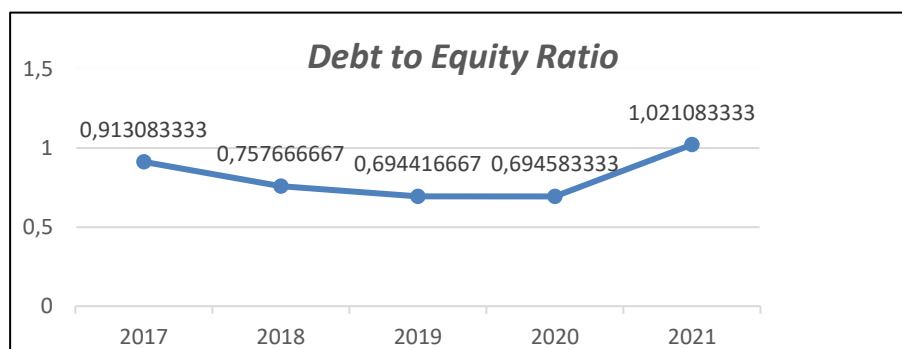


Figure 2. Average TAG

Figure 2 shows the average TAG in the Indonesia Stock Exchange-listed companies for the hotel, restaurant, and tourism industries for 5 periods, namely 2017-2021. From this figure it can be said that the asset value Companies in the field of Hotel, Catering and Tourism has decreased from year to year starting from 2018 to 2019 which has experienced a significant decrease reaching -0.01 and continues to decrease until 2021. impairment of assets occurred due to a decrease in the level of sales. this was caused by reduced revenue which could result in default. The company's profit or loss must still pay for its operational costs, the way that can be done by the company can be by reducing its operational costs or selling part of its assets. a decrease in total assets can increase the company's business risk. According to (Ahmad et al., 2020) investment decisions have a negative effect on business risk. Investment decisions show the use of operational costs by companies (Dogan, 2016) state that operating leverage can be used to measure how much use of fixed operating costs is in a company, costs which include such as: employee salaries, insurance costs, and depreciation. However, if the operating leverage issued cannot be paid, operating leverage can pose a business risk

The same thing also happens for funding decision conditions, shown in the image below



Source: processed data

Figure 3. Average Business Risk

Figure 3 shows the average DER in companies in the hotel, catering and tourism sectors listed on the Indonesian Stock Exchange for 5 periods, namely 2017-2021. From the figure it can be said that the DER companies in the hotel, catering and tourism divisions recorded on the Indonesia Stock Trade has a decreased level of business risk from 2017-2020, because the average ratio of a company's DER is less than 1. The lower the DER of a company indicates that The debt owned by the company is smaller than the total assets owned. However, the company's business risk level soared in 2021 to reach 1.02. The funding decision shows the use of fixed costs of funding by the company, these costs are in the form of interest costs on borrowed debt. Interest costs and dividends are fixed costs of funding that must be paid regardless of the size of the company's profits. As a result of using the fixed cost of funding, the company will face funding risk. Funding risk is the additional risk resulting from the company using debt and preferred stock funding. Research from (Saputri et al., 2020), which stipulates that financing choices have a negative effect on business risk.

While the condition of a company that has large total assets will expand its market share and will affect the company's benefit, the bigger the company size will affect the business risks that will be faced by the company. This is supported by (Muizzuddin et al., 2021) who uses total assets as a proxy for company size in his research. (Ratih et al., 2020) stated that Larger companies are thought to have less risk because they are thought to have more access to the capital market, making it easier to obtain additional funding. However,

differences in company size pose significantly different business risks between large companies and small companies. which can then increase profitability. The bigger the firm, the more, the wider its market reach, and this affects the business risks it has. Elton and Gruber's statement in (Panigoro, 2020) the higher the risk of a company, the higher the expected profitability in return for high risk and conversely the lower the company's ratio, the lower the level of expected profitability in return for low risk. From the background that has been described, the investigate points to analyze the variables that can affect business risk during the Covid-19 pandemic.

LITERATURE REVIEW

Signaling Theory Signaling In order to explain why corporate insiders typically have better and more timely knowledge than outside investors, theories in economics and finance have been established. Due to its impact on other parties' investment decisions, information released by the corporation is significant. Because it essentially gives data, notes, or portrayals for past, show, and future circumstances for the existence of the firm and how they effect the company, this information is crucial for investors and businesspeople. As a result, the management has a responsibility to inform the owner on the state of the business. Giving the signal can be accomplished by disclosing accounting data, such as financial statements. Financial reports are designed for use by a variety of.

When market participants receive information, they first interpret this data as a great flag (great news) or awful flag (terrible news). In the event that the data received is good information, it will be considered a great flag, at that point financial specialists will be fascinated by making stock exchanging, hence the showcase will react which is reflected through changes within the volume of stock exchanging. The wider disclosure of financial statement information will give a positive signal to parties with an interest in the company (stakeholders) and company shareholders (shareholders) which indicates the company's business risk is low. will be considered a great flag, at that point financial specialists will be fascinated by making stock exchanging, hence the showcase will react which is reflected through changes within the volume of stock exchanging.

Theory of Modigliani Miller (MM)

This theory explains that dividend policy does not affect stock market prices. Miller and Modigliani argue that company value is determined by the company's ability to gain profits and business risks (Rahim et al., 2021). Based on this theory, capital structure has no relevant effect on the company. This is supported by There are two types of capital structure in this theory, namely the MM hypothesis without charges and the MM hypothesis with charges. The MM theory without taxes argues that capital structure is irrelevant to firm value. There are a few suspicions that back this explanation, to be specific there are no office costs, no charges, financial specialists can owe at the same intrigued rate as the company, and speculators get data such as administration with respect to the company's future. In this hypothesis it moreover states that there are no liquidation costs. within the capital structure, resources can be sold at advertise esteem within the occasion of bankruptcy, Gaining Some time recently Intrigued and Charges (EBIT) isn't influenced by obligation, and financial specialists are price-takers.

The MM theory with taxes includes a tax element. Because the theory without taxes is considered unrealistic, Franco Modigliani and Merton Howard Miller, creators of the MM theory, include tax invoices. The taxes paid to the government are an outflow of cash. Funding using debt can save on taxes because interest can be used as a tax deduction. Wirawan Suryanto, (2021: 183) argues that companies that have debt have better company

values compared to companies that do not have debt, this is due to the reduced tax burden so that net income is higher.

Business risk

According to Hery (2021; 2) business risk is an event that can hamper the company's operations, this occasion can be caused by inside or outside parties of the company. The company's commerce chance influences the commerce progression of the company's commerce and the company's capacity to pay its obligations. The company's trade chance level too influences the intrigued of speculators to contribute reserves within the company and influences the company's capacity to get stores in carrying out its operational exercises. If the company's financial manager wants reduced business risk, the actions taken are to stabilize sales, stabilize operating costs, and reduce operating leverage. This business risk is measured using the coefficient of variation in operating profit (KVEBIT) (Miswanto, 2013). KVEBIT is the standard deviation of operating profit divided by expected operating profit.

Investation decision,

I Made Sudan (2019:04) states that venture choices are budgetary choices about assets that must be purchased. The investment decision consists of the expected rate of return and the level of risk. In investment decisions, the rate of return and risk has a very close relationship, that is, if the rate of return shared is high, the level of risk that occurs will be high, but conversely, if the rate of return shared is low, the risk will be high. happens will be low.

The stages in making investment decisions start from setting investment targets, making investment policies, selecting portfolio strategies, selecting company assets, and measuring and evaluating work. The correct venture choice, the company will create ideal execution that can increment resource development. Resource Growth is the normal development within the company's riches. In the event that the company's introductory riches is settled, at that point at a tall level of resource development it implies that the company's last riches is getting greater and bad habit versa.

Funding Decisions

According to I Made Sudan (2019:04) funding decisions are financial decisions about where to get funds to buy assets. Subsidizing choices are related to the method of selecting reserves to be utilized either from claim capital or from advances. Subsidizing choices are surveyed from the time period partitioned into two, long-term choices and short-term choices. long-term choices as a rule influence Company's capital structure since comparison obligation and value, while short-term decisions include short-term debt such as notes payable and trade payables.

Funding decisions are calculated using the Deb Equity Ratio (DER), which is the proportion between add up to obligation and add up to value in a company, which gives a comparison between add up to obligation and equity of the company.

Theoretical Frame work

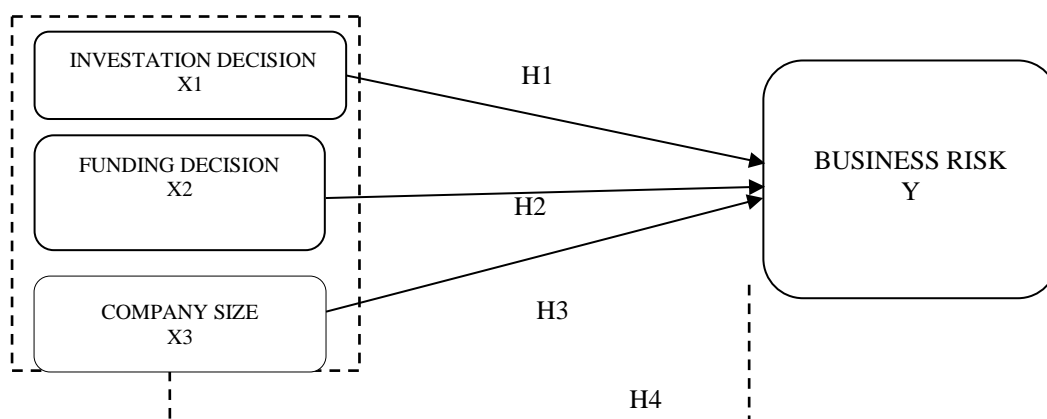


Figure 2. Thinking Design

The Effect of Investment Decisions (TAG) on Business Risk, Investment Decisions are used to analyze the growth of companies that are expected to have positive signals so that they have opportunities to invest. Investment decisions are choices with respect to speculation within the present to pick up benefits within the future.

The investment decision illustrates the comparison of the current year's add up to resources and the past year's add up to resources. The higher the positive signal given by the company, the greater the opportunity for the company to receive investment. Investment decisions will affect the expected income. Expected income must be considered in every financial decision. So that the level of speculator certainty will increment.

The comes about of the think about demonstrate that speculation choices have a positive impact on business risk. The results of this study are supported by the theory of risk and return, that a company/investor is willing to invest if it generates a certain income or return with the least extreme risk close to zero. In other words, in the event that the speculation includes a little hazard, it'll increment the intrigued of speculators to contribute. Based on the comes about of inquire about from (Faridah & Kurnia, 2016) it shows that investment decisions have a positive effect on business risk. supported by research conducted by (Utami & Darmayanti, 2018) venture choices have a positive impact on business risk.

Effect of Funding Decisions (DER) on Business Risk. Funding decisions are choices with respect to the source of stores to be utilized by the company. Funding decisions involve decisions about how much debt to use, in what form debt and own capital will be withdrawn, and when will these funds be obtained. The Funding Decision illustrates the comparison between Liabilities and Equities. The use of external funding sources in the form of debt is preferable to use rather than own capital (Nurfathirani & Rahayu, 2020), because there are two reasons, namely the first is the thought of issuance costs, where the costs of issuing bonds are cheaper than the costs of issuing unused offers. Since the issuance of modern offers will decrease the cost of ancient offers, furthermore, there's a concern that the issuance of unused offers by speculators can be deciphered as terrible news.

Based on the results of research from (Gustian, 2017), funding decisions have a positive influence on business risk. The comes about of this consider are backed by investigate conducted by (Dananjaya & Mustanda, 2016) in their research, which found that

funding decisions have a positive effect on business risk. Similar research by (Himawan & Christiawan, 2016), funding decisions have a positive influence on Business Risk.

Effect of Company Size on Business Risk, company size is a picture of how huge or little the company is. The measure of the company is enough reputation in the eyes of society. To get a large loan or in the form of corporate debt, you must have a large size. Deciding the measure of the company can be seen from deals, add up to resources, normal add up to resources, add up to deals (Luh & Pratiwi, 2018). The size of the company describes the natural log (total assets). The size of the company affects the business risks that are owned by the company.

Based on the comes about of inquire about that has been carried out by past analysts, which was carried out by (Yuni & Ni Putu, 2016). company size has a positive effect on the business risk owned by the company. The comes about of this think about are bolstered by investigate conducted by (Damayanti & Dana, 2017). Similar research by (Primantara & Dewi, 2016) stated that company size has a positive influence on business risk

RESEARCH

Research Design

This research approach uses a quantitative causality approach that measures causal relationships that affect the dependent variable or how endogenous variables affect exogenous variables. The populace in this think about were inn, eatery and tourism segment companies recorded on the IDX for the 2017-2021 period, namely 35 companies and a sample of 12 companies. The inspecting method utilized was purposive testing.

Variable Measurement,

Investment decisions in this think about are measured by Add up to Resource Development (TAG), which is isolating the current year's add up to resources by the past year's add up to resources.

$$TAG = \frac{\text{Total Assets} - \text{Total Asetn} - 1}{\text{Total Asetn} - 1} \dots\dots\dots(1)$$

The company's funding decision uses the Deb to Equity Ratio (DER), which is the proportion between add up to obligation and add up to value within the company which gives a comparison between add up to obligation and value of the company.

$$DER = \frac{LIABILITY}{EQUITY} \dots\dots\dots(2)$$

Company size in this study is calculated by LN (Total Assets), which is the natural logarithm of total assets.

$$Size : LN(\text{Total Assets}) \dots\dots\dots(3)$$

For Endogenous variables, namely business risk, DOL (Degree of Operating Leverage) is used where Business Risk is measured from the EBIT ratio compared to Total assets, Alamsyah, et al (2021).

$$DOL = \frac{EBIT}{TOTAL\ ASSETS} \dots\dots\dots($$

4)

Table 2. Research Samples

NO	CRITERIA	TOTAL
1	lodging, eatery and tourism sub-sector companies recorded on the IDX in 2017-2021	35
2	Lodging, eatery and tourism sub-sector companies that do not present complete reports according to the variables studied for the 2017-2021 period	(23)
3	The total number of hotel, restaurant and tourism sub-sectors that meet the criteria	12

Source: Author's data processing

RESULT AND DISCUSSION

Result

Descriptive Statistics, Each research variable, namely Business Risk (DOL) as the dependent variable, while Investment Decision (TAG), Funding Decision (DER) and Company Size (LN total assets) as independent variables Descriptive Statistics is used to see the Mean value, Maximum, and Minimum, the results of data processing using descriptive statistics are as follows

Table 3. Results of Descriptive Statistics

	N	Minimum	Maximum	Mean	
	Statistic	Statistic	Statistic	Statistic	Std. Error
DOL	60	-0.306877	0.126411	0.01949428	0.009960141
TAG	60	-0.247721	0.630859	0.04531737	0.016646660
DER	60	0.123600	2.573642	0.81311817	0.062177891
LN	60	21.670210	31.012955	26.50519723	0.310530641
Valid N (listwise)	60				

Source: Output SPSS, 2022

Based on the results of the descriptive statistical test, it is known that the results of the descriptive statistical test for the DOL variable obtained an average value of 0.01949428 or equivalent to 1.94%. With a minimum DOL value found in the Destinasi Tirta Nusantara Tbk company, amounting to -0.306877. meaning that with this risk value, the company Destinasi Tirta Nusantara Tbk has the smallest risk compared to other companies engaged in the same field in this study. and the maximum DOL value is found in the company MNC Land Tbk, amounting to 0.126411. meaning that the MNC Land Tbk company has the highest business risk among companies engaged in the same field in this study.

Based on the comes about of the clear measurable test the TAG variable obtained an average value of 0.045317 or equivalent to 4%. With a minimum TAG value found in the Destinasi Tirta Nusantara Tbk company, amounting to -0.247721. meaning that the small business risk in the Destinasi Tirta Nusantara Tbk company cannot attract investors to invest. and the maximum TAG value is found in the MNC Land Tbk company, amounting to 0.630859. meaning that even though the business risk of the MNC Land Tbk company is large, the investment value in this company is also the highest, this is in accordance with the investment theory, namely high risk high return.

Based on the comes about of the clear measurable test the DER variable obtained an average value of 0.813118 or equivalent to 81.3%. With a minimum DER value found in

the company PT Red Planet Indonesia Tbk, amounting to 0.123600. meaning that the company PT Red Planet Indonesia Tbk has the least amount of debt among companies engaged in the same field in this study. and the maximum DER value is found in the Destinasi Tirta Nusantara Tbk company, amounting to 2.573642. This means that the Destinasi Tirta Nusantara Tbk company has the largest amount of debt in a company engaged in the same field in this study.

Based on the results of the descriptive statistical test the LN variable (total assets) obtained an average value of 26.50519723 or equivalent to 2650.51%. With a minimum LN value found in the company Fast Food Indonesia Tbk, amounting to 21.670210. it means that the Fast Food Indonesia Tbk company has the least number of assets in the company engaged in the same field in this study. and the maximum value of LN is found in the Destinasi Tirta Nusantara Tbk company, amounting to 31.012955. meaning that the Destinasi Tirta Nusantara Tbk company has the most number of assets in companies engaged in the same field in this study. The results of Eviews processing are as follows:

Table 4. Effect of investment decisions, business decisions and company size on business risk

Hypothesis	Coeffisience	t Test	Significatiom	explanation
Constanta	0.116677	0.581971	0.5629	
Investment decision (TAG)	-0.032748	-0,746336	0,4586	Rejected
Funding decision (DER)	0.048470	4,069136	0,0001	Accepted
Company size (LN total assets)	-0.028175	-0,464426	0,6441	Rejected
Adj. R Square		0.218701		
F-Statistic		6,505104		Accepted
Prob (F-Statistic)		0.000745		

Sumber: Data di olah

The Effect of Investment Decisions on Business Risk

Based on the comes about of the speculation test in Table 4, the investment decision t-statistic (TAG) value is -0.746336, whereas the t table with a level of of $\alpha = 5\%$, $df (60-4) = 56$, the t table value is 2.00324, with Thus the investment decision t-statistic (TAG) - 0.746336 <t table 2.02439 and the Prob value. 0.4586 > 0.05. So The conclusion that the investment decision variable in this consider has no impact on business risk in the 2017-2021 observation period.

The Effect of Funding Decisions on Business Risk

Based on the comes about of the speculation test in Table 4, the funding decision t-statistic value (DER) is 4.069136, while the t table with a level of $\alpha = 5\%$, $df (60-4) = 56$, the t table value is 2.00324, thus t-statistic Funding decision (DER) of 4.069136> t table 2.00324 and the value of Prob. 0.0001 < 0.05. So it can be concluded that the funding decision variable in this study has a positive influence on business risk in the 2017-2021 observation period.

Effect of Company Size on Business Risk

Based on the results of the hypothesis test in Table 4, the t-statistic value of company size (LN total assets) is -0.464426, while the t table with a level of $\alpha = 5\%$, $df (60-4) = 56$, the t table value is 2.00324, thus the t-statistic of company size (LN total assets) is - 0.464426 <t table 2.00324 and the value of Prob. 0.6441 > 0.05. So it can be concluded that the company size variable in this study has no influence on business risk in the 2017-2021 observation period.

$$DOL = 0,116677-0,032748TAG + 0,048470DER-0,028175LN \text{ total aset} + \epsilon$$

Discussion

The effect of investment decisions on business risk. The comes about of testing the speculation can be concluded that add up to resource development has no impact on commerce hazard. This implies that commerce hazard isn't affected by speculation choices. The comes about of this consider are bolstered by the hypothesis of chance and return put forward by Markowits in 1995, that companies/investors are willing to invest if they generate certain income or returns with the least extreme risk close to zero. However, in the investment world we are familiar with the term high risk high return where in this theory it is explained that if we want high returns then the risks we will face are also high, and vice versa if the risks we face are relatively small then the results we will get will also be according to the sacrifices we make. The comes about of this ponder are in line with the investigate of (Rinnaya et al., 2016), (Arizki et al., 2019) show that investment decisions have no effect on business risk.

The effect of funding decisions on business risk. The results of testing the hypothesis can be concluded that DER has a positive influence on business risk. When a company is unable to optimize its debt, this can increase the value of business risk. A high DER will show a large debt value, with large debt and this debt cannot be used as productive capital to run the company's business in generating profits, it will trigger an increase in business risk. Based on signaling theory, if the company's funding decisions experience an increase, the response positive given by investors for this situation because of an increase in profits or profits that make investors' expectations of returns higher, thereby encouraging investors to invest in the company, but on the contrary if funding generated from debt is unable to increase profits then a negative response will be received from investors. The results of this study are in line with research conducted by (Gustian, 2017) and (Dananjaya & Mustanda, 2016) showing that funding decisions have a positive effect on business risk.

The results of testing the hypothesis can be concluded that company size has no influence on the company's business risk. These results are supported by research conducted by (Damayanti & Dana, 2017) and also (Meilyani et al., 2019) which states that company size has no effect on business risk. This is because at this time investors do not only see the number of assets owned by the company, but investors are now more concerned with the future prospects of the company. For example, PT goTo Gojek Tokopedia Tbk, which has become the target of investors, both local and foreign investors, if investors look only in terms of total assets, PT goTo Gojek Tokopedia Tbk does not have assets, but this company can prove that total assets do not affect investors' interest in investing. because PT goTo Gojek Tokopedia Tbk has better future prospects seen from the increase in share price reaching 15.67% in the first quarter of 2022, because along with the times, companies engaged in technology-based digital fields are believed that investors can provide increased income.

CONCLUSION

The results of this study state that investment decisions do not affect business risk as measured by total asset growth, it is possible that investments made by companies are not productive investments so that investment decisions made by companies do not affect business risk, funding decisions have a positive effect to business risk, the more a company is unable to optimize its debt, the more it can increase business risk. In other words, the higher the obligation proportion, the more trade hazard the company bears. Speculators don't as it were see at the number of resources claimed by the company, but financial specialists are presently more concerned with the long run prospects of the company so that the estimate of the resources possessed by the company does not ensure that the company isn't at hazard in running its commerce.

REFERENCES

- Ahmad, G. N., Lullah, R., & Siregar, M. E. S. (2020). Pengaruh keputusan investasi, keputusan pendanaan, kebijakan dividen, dan ukuran dewan komisaris terhadap nilai perusahaan pada perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia periode 2016-2018. *JRMSI-Jurnal Riset Manajemen Sains Indonesia*, 11(1), 169–184.
- Arizki, A., Masdupi, E., & Zulvia, Y. (2019). Pengaruh keputusan investasi, keputusan pendanaan dan kebijakan dividen terhadap nilai perusahaan pada perusahaan manufaktur. *Jurnal Kajian Manajemen Dan Wirausaha*, 1(1).
- Damayanti, N. P. D., & Dana, I. M. (2017). *Pengaruh ukuran perusahaan, profitabilitas dan risiko bisnis terhadap struktur modal pada Perusahaan Manufaktur di BEI* [PhD Thesis]. Udayana University.
- Dananjaya, P. M., & Mustanda, I. K. (2016). Fakultas Ekonomi Dan Bisnis Universitas Udayana, Bali, Indonesia Perusahaan Pada Dasarnya Bertujuan Mendapatkan Profit Atau Laba (Hasil Keuntungan Maksimum) Dalam Jangka Panjang Perusahaan Dapat Mengoptimalkan Nilai Perusahaan. Perusahaan Yang Sudah. *E-Jurnal Manajemen Unud*, 5(10), 6610–6639.
- Dogan, F. G. (2016). Non-cancellable operating leases and operating leverage. *European Financial Management*, 22(4), 576–612.
- Drozdowski, G., Rogozińska-Mitrut, J., & Stasiak, J. (2021). The empirical analysis of the core competencies of the company's resource management risk. Preliminary study. *Risks*, 9(6), 107.
- Faridah, N., & Kurnia, K. (2016). Pengaruh Keputusan Investasi, Pendanaan, Kebijakan Dividen, Tingkat Suku Bunga Terhadap Nilai Perusahaan. *Jurnal Ilmu Dan Riset Akuntansi (JIRA)*, 5(2).
- Gallati, R. R. (2022). *Risk management and capital adequacy*. McGraw-Hill.
- Grau, A., & Reig, A. (2021). Operating leverage and profitability of SMEs: Agri-food industry in Europe. *Small Business Economics*, 57, 221–242.
- Gustian, D. (2017). Pengaruh pertumbuhan perusahaan, keputusan investasi, dan keputusan pendanaan terhadap nilai perusahaan (Studi empiris pada perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia 2010-2014). *Jurnal Akuntansi*, 5(1).
- Himawan, M. R., & Christiawan, Y. J. (2016). Pengaruh Kebijakan Deviden dan Keputusan Pendanaan terhadap Nilai Perusahaan (Studi pada Sektor Manufaktur yang Terdaftar di BEI Tahun 2010-2014). *Jurnal Akuntansi Bisnis*, 4(1).
- Meilyani, I. G. A. A., Suci, N. M., & Cipta, W. (2019). Pengaruh risiko bisnis, ukuran perusahaan dan pertumbuhan penjualan terhadap struktur modal pada perusahaan properti dan real estate yang terdaftar di Bursa Efek Indonesia. *Prospek: Jurnal Manajemen Dan Bisnis*, 1(2), 15–24.
- Muizzuddin, M., Tandelilin, E., Hanafi, M. M., & Setiyono, B. (2021). Does institutional quality matter in the relationship between competition and bank stability? Evidence from Asia. *Journal of Indonesian Economy and Business*, 36(3), 283–301.
- Nurfathirani, N., & Rahayu, Y. (2020). Pengaruh Kepemilikan Manajerial, Profitabilitas Dan Struktur Aset Terhadap Kebijakan Hutang. *Jurnal Ilmu Dan Riset Akuntansi (JIRA)*, 9(1).
- Panigoro, N. (2020). Struktur Modal dan Pengaruhnya Terhadap Profitabilitas Perusahaan (Studi Pada Perusahaan JII-30). *Jambura Accounting Review*, 1(2), 97–107.
- Primantara, A. N. A. D. Y., & Dewi, M. R. (2016). *Pengaruh likuiditas, profitabilitas, risiko bisnis, ukuran perusahaan, dan pajak terhadap struktur modal* [PhD Thesis]. Udayana University.

- Rahim, R., Alfajri, D., & Nasfi, N. (2021). Determinant factors affecting the value of manufacturing companies in indonesia. *INOVASI*, 17(2), 344–354.
- Rinnaya, I. Y., Andini, R., & Oemar, A. (2016). Pengaruh profitabilitas, rasio aktivitas, keputusan pendanaan keputusan investasi terhadap nilai perusahaan (studi empiris pada perusahaan manufaktur yang terdaftar di BEI tahun 2010-2014). *Journal Of Accounting*, 2(2).
- Sanjaya, C. K., & Linawati, N. (2015). Pengaruh penerapan enterprise risk management dan variabel kontrol terhadap nilai perusahaan di sektor keuangan. *Finesta*, 3(1), 52–57.
- Saputri, S. M., Hariyanti, W., & Harjito, Y. (2020). Analisis Faktor-Faktor yang Mempengaruhi Kebijakan Hutang. *Berkala Akuntansi Dan Keuangan Indonesia*, 5(2), 83.
- Utami, A. P. S., & Darmayanti, N. P. A. (2018). Pengaruh keputusan investasi, keputusan pendanaan dan kebijakan dividen terhadap nilai perusahaan food and beverages. *E-Jurnal Manajemen Universitas Udayana*, 7(10), 5719.
- Utomo, C. D., & Hanggraeni, D. (2021). The impact of COVID-19 pandemic on stock market performance in Indonesia. *The Journal of Asian Finance, Economics and Business*, 8(5), 777–784.