

CHAPTER 5

CONCLUSION, LIMITATION, AND SUGGESTION

5.1 Conclusion

The conclusion of this research based of chapter 4 data analysis result is as follows:

1. Global financial crisis has positive effect on investment decision in Indonesian manufacturing companies. This can be seen through investment decision made by Indonesian manufacturing companies tends to increase although just slightly small amounts.
2. Global financial crisis has positive effect on financing decision in Indonesian manufacturing companies. This can be seen through debt to equity ratio decrease during and after the crisis happened where companies enjoyed surplus of capital inflows from the shock cause by global financial crisis, in other words company prefer to use internal financing to finance their activities.
3. Debt-equity ratio has negative relationship on investment decision in Indonesian manufacturing companies. Companies with higher debt to equity ratio may hold back from taking investment decisions after crisis in order to reduce the risks of investments.

5.2 Limitation

The time constraints to conduct the research is one of the problem appears. The other constraints appears during research is many company data missing, and the data available and ready to be analyzed is data from manufacturing industry in Indonesia.

5.3 Suggestion

There are some suggestions that can be considered by future researcher who wants to make similar research:

1. In order to create more data with higher variability, quarterly data can be used.

2. Using more control variables which can provide direct relationship to investment decision.
3. Test the model using different industry. Finance and banking industry maybe more suitable and more influenced by global financial crisis compared with manufacturing industry
4. Combining data from different industries in Indonesia to understand extent of global financial crisis influence in different industries and creating dataset that are more normally distributed.
5. Manufacturing companies in Indonesia should do more good investments. Good investments here means investments with minimal risks.
6. Investors, commissioner, and government should strengthen their control to manufacturing companies in Indonesia to minimize the risks.

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