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Role of Liquidity, Asset Tangibility, and Growth Opportunities in Firm Valuation

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KEYWORDS	ABSTRACT
Liquidity, Asset Tangibility, Growth Opportunities, Firm Valuation, Financial Performance.	The primary objective of this research is to assess how liquidity, asset tangibility, and growth opportunities impact a firm's perceived value by investors and other stakeholders. The research adopts a quantitative methodology, utilizing secondary data collected from a sample of publicly listed companies over a period of five years. Data were collected from financial reports and industry databases. Regression models were used to analyze the relationship between the independent variables and the dependent variable. The findings reveal that liquidity and asset tangibility have a significant positive impact on firm valuation, suggesting that firms with higher liquidity and tangible assets are perceived as less risky and more stable by investors. Additionally, growth opportunities, as reflected in the market-to-book ratio, also have a positive effect on firm valuation, indicating that firms with strong growth prospects are valued higher. The results emphasize the importance of financial health, asset structure, and growth potential in determining a firm's market value. These findings provide valuable insights for managers and investors, emphasizing the need to optimize liquidity and leverage tangible assets while pursuing strategic growth opportunities to enhance firm valuation.
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