

Influence of Financial Performance and Fair Price of Share on Investment Decisions with Good Corporate Governance as Moderating Variables in Companies in The Indonesia Stock Exchange

Masno Marjohan ¹⁾

¹⁾ masnomarjohan@yahoo.co.id, Pamulang University, Indonesia

ABSTRACT

Objectives: The goal of this research is to research and determine the influence of financial performance and fair share price on investment decisions with competent management for a Real Estate and Construction Property firm listed on the Indonesia Stock Exchange from 2016 to 2020.

Methodology: This study adopts a descriptive methodology of quantitative, the collection of financial statements of 51 companies that have been registered with the IDX. The measurement model and hypothesis testing are carried out using Views 9 software.

Finding: The results showed that Return on Equity, Current Ratio, and Debt Equity Ratio had no effect, but Total Asset Turnover and Price Book Ratio influenced investment decisions.

Conclusion: Investment decisions are not influenced by financial performance (ROE, CR, and DER), but they are influenced by other financial performance (TATO, and PBV). While good corporate governance does not moderate (weaken) the impact of a company's financial performance on investment decisions, it does moderate (strengthen) the impact of fair price shares (PBVs).

Keywords: Financial Performance; Investment Decisions; Fair Price of Shares; Good Corporate Governance

Submitted:

2022-12-21

Revised:

2022-11-17

Accepted:

2023-02-14

Article Doi:

http://dx.doi.org/10.22441/jurnal_mix.2023.v13i1.006

INTRODUCTION

The Property, Real Estate, and Construction industries are one of the indicators used to evaluate a nation's economic development. This sector has grown to be capable of absorbing a considerable amount of labor and has a ripple impact on other economic sectors. The Property, Real Estate, and Building Construction sectors have a significant beneficial impact that can foster the growth of other economic sectors, particularly the financial products industry.

Quoted from Tempo.Co, Jakarta - The Composite Stock Price Index (hereinafter referred to as JCI) Monday afternoon, March 2, 2020, closed lower after two Indonesian citizens (hereinafter referred to as WNI) tested positive for the new coronavirus or Covid-19. It is known that there has been a decrease in the composite stock price index by 1.68 percent, namely at a price of Rp5.361. Throughout stock trading on March 2, 2020, JCI reached its highest point at 5.491.14 points and its lowest at 5.354.62 points. Various policies have been carried out by the government, but it is still unable to save the value of the Composite Stock Price Index (JCI). This condition made the Indonesia Stock Exchange (IDX) halt trading. Halt trading is a temporary trading stop policy (*Endri, 2016*).

Based on these rules, if the capital market decreases significantly on the exchange and the same day, then the trading stops for 30 minutes if the decline reaches 5% and is carried out again every 30 minutes if the JCI decreases by 10%. Afterward, the IDX applies a stock suspension if it is known that the capital market has decreased by 15% (*Sugianto, 2020*).

The value of the company is the result of management's work from several dimensions including net cash flow from investment decisions, growth, and the cost of company capital. High company value indicates good company performance (*Handayani & Panjaitan, 2019*).

The profitability ratio is a financial ratio that is often observed by an investor when predicting a financial issue (*Oktiwiati & Nurhayati, 2020*). The profitability ratio assesses the capacity of the issuer to make a profit (*Arifin et al., 2017*). The profitability ratio reflects the effectiveness of the management of profits. Profits from sales and investment balance reflect that profitability. The main point and purpose of measuring profitability ratios are to provide information on the level of reward or profit generation compared to sales efficiently. If a company is able to produce a high level of profitability then the management, therefore, needs further research (*Taufik, 2016*).

It is essential to understand how financial performance indicators influence investment decisions with sound corporate governance as moderating variables in Indonesian stock exchange companies (IDX). ROE, Current Ratio (CR), DER, TATO, and PBV are the five financial performance measures utilized in this report. Good Corporate Governance (GCG) is a system (inputs, processes, outputs) and a set of regulations that regulate the relationship between various stakeholders, particularly in the narrow sense of the relationship between shareholders, the board of commissioners, and the board of directors to achieve the company's objectives. GCG is created to govern these ties, prevent substantial errors in the company's strategy, and ensure that faults can be rectified swiftly if they do occur (*Yuniningsih & Taufiq, 2019*). According to *Zarkasyi (2008)*, five GCG principles can serve as guidance for a business or its employees: Transparency, Accountability, Responsibility independence, and Fairness.

It's fascinating to study this topic because Good Corporate Governance (GCG) is increasingly being recognized as an important consideration in investment choices, providing firm management and investors with insights into the value of corporate social responsibility.

Investors anticipate substantial returns due to the company's strong success. Therefore, researchers are interested in performing a study with the updated title Problem Identification.

This study intends to examine the elements that influence financial performance and fair share prices on the value of investment decisions with GCG serving as a moderator. 2016-2020 Property, Real Estate, and Construction Companies Listed on the Indonesia Stock Exchange are the focus of this study.

LITERATURE REVIEW

Research Variables

1) Return On Equity (ROE) => X1

Return On Equity is one of the ratios in measuring the level of profitability of a company (*Kasmir, 2016*).

2) Current Ratio (CR) => X2

The Current Ratio (CR) is a liquidity ratio which is one of the most commonly used ratios to measure a company's level of liquidity or ability to meet short-term obligations without causing problems (*Kasmir, 2016*).

3) Debt To Equity Ratio (DER) => X3

According to *Syamsudin (2011)*, the Debt to Equity Ratio is one of the calculations in ratio calculation for measures of debt (debt measurement).

4) Total Asset Turnover (TATO) = > X4

The total asset turnover ratio is a component of the activity ratio. This ratio indicates the effectiveness of the investment made at the time of preparing financial accounts, thus it can be calculated whether the company's management is able to streamline the current capital, allowing for a comparison of the number of sales that occur in each unit of owned assets.

5) Fair Share Price = > X5

The fair price of shares is a price that we can receive as the cost of ownership of an asset after comparing the required rate of return with the level of return that the asset can provide in the future (expected rate of return). In calculating the fair price of stocks, researchers use stock valuation analysis.

6) Price to Book Ratio (PBV) is a method that compares the market value of a stock with its book value so that it can be measured and determine the level of the price of an overvalued or undervalued stock. If the PBV is higher, then this is a great indication of the level of market confidence in the company's prospects. In general, a company is said to perform well if it has a PBV ratio > 1 because it shows a book value lower than the market value. Price to Book Value is a very important ratio in calculating the value of a company, where this ratio explains the valuation of the stock price per share with its book value (*Sukamulja, 2019*). The greater the value of the PBV, the greater the price per share.

Investment Decision (Y)

Researchers in this study only limited one indicator, namely stock returns. According to *Jogiyanto (2014)*, stock returns are the result of expectations expected by investors. Investment decisions are based on the anticipated rate of return, the level of risk, and the connection between return and risk. The return expected by investors on their assets is compensation for opportunity costs and the risk of a decline in buying power owing to the influence of inflation.

Good Corporate Governance => (Z)

In this study, the researchers placed constraints on effective corporate governance which was defined as the practice of delegating authority to an impartial board of commissioners. An independent board of commissioners is a board of commissioners that has members who are free from financial, political, share ownership, or family relationships with other members of the board of commissioners, as well as controlling shareholders who are feared to reduce independent attitudes in accordance with the principles of good corporate governance. Besides, an independent board of commissioners is a member of the board of commissioners who is free from any relationships with controlling shareholders.

Frame of Mind

A good frame of mind is one that theoretically explains the relationship between the variables to be researched. The framework of thinking, according to *Sugiyono (2018)* is a synthesis of the relationships between variables assembled from many ideas that have been articulated. The given theories are subsequently investigated critically and systematically, culminating in a synthesis of the relationship between the studied variables. The structure is as follows:

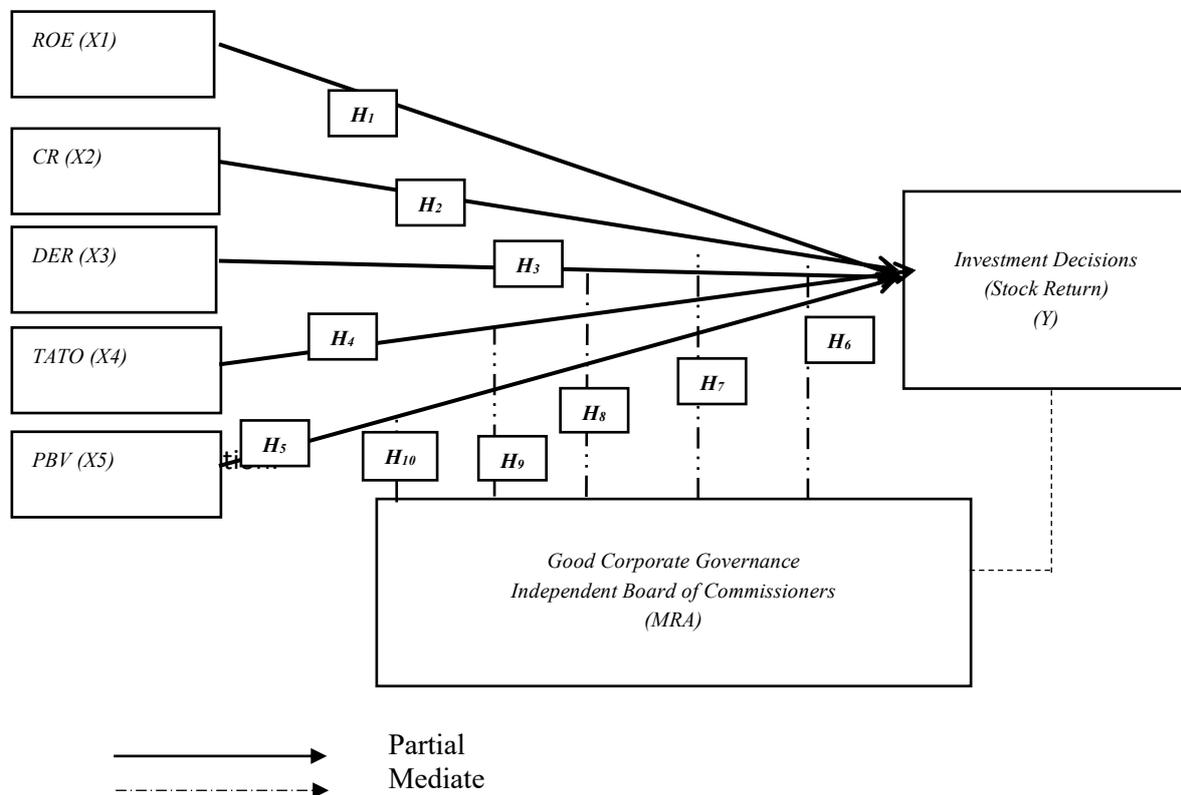


Figure 1. Frame of Mind

Hypotheses

- 1) H1: Return Assets Equity (ROE) affects stock returns.
- 2) H2: Current Ratio (CR) affects stock returns.
- 3) H3: Debt Equity Ratio (DER) affects stock returns.
- 4) H4: Total Assets Turnover (TATO) affects stock returns.
- 5) H5: Price Good Corporate Governance (Independent Commissioner) Moderates the Effect of Financial Performance (CR) on Investment Decisions (Stock Returns)
- 6) H6: The Board of Commissioners is able to strengthen the effect of the Current Ratio (CR) on stock returns
- 7) H7: The Board of Commissioners is able to strengthen the influence of the Debt-to-Equity Ratio (DER) with stock returns.
- 8) H8: The Board of Commissioners is able to strengthen the influence between Total Assets Turnover (TATO) and stock returns.
- 9) H9: The Board of Commissioners is able to strengthen the influence between Total Assets Turnover (TATO) and Stock Returns
- 10) H10: The Board of Commissioners is able to strengthen the influence between the Price Book Ratio (PBV) and stock returns

METHOD

This study employs quantitative data to demonstrate the connection between bound and free variables. This study intends to examine the link of causation utilized to explain the impact of several variables on investment decisions, namely financial performance and excellent corporate governance. The research conducted for the period 2015-2020 is more concentrated on Property, Real Estate, and Construction companies listed on the IDX. This research relies on secondary data, specifically the Financial Statements of Property, Real Estate, and Construction Firms.

Data Collection Sources and Techniques

The source data obtained by the researchers came from the Website of the Indonesian Stock Exchange through www.idx.co.id and www.yahoofinance.com. Meanwhile, data collection was done utilizing observation, documentation, and literature studies.

Data Collection Techniques

1) Population

The population of this study consists of Property, Real Estate, and Construction sector organizations listed on the IDX from 2016 to 2020.

2) Samples

The sample is a subset of the population that can be used as a source of information. The selection of samples for the study using a method of purposive sampling based on specific criteria. The following criteria are employed in this study:

- a. Analyze Indonesia Stock Exchange-listed companies in the Property, Real Estate, and Construction sectors.
- b. Companies in the property, real estate, and construction industries have released financial statements for the period 2016-2020.
- c. Real Estate and Construction Firms that publish sustainability reports (2016-2020)

Based on the established criteria, a sample of 51 Property, Real Estate, and Construction firms listed on the Indonesian stock exchange that meet the aforementioned standards was obtained (this data for a year). In all, 255 examples of financial statements of Property and Real Estate and Construction companies registered on the Indonesia Stock Exchange will be utilized during a period of 5 years.

Data Analysis Methods

Descriptive Statistics

- 1) The data analysis technique employed is Descriptive Statistical Analysis, which provides a summary or description of the data based on the average value (mean), standard deviation, maximum, and minimum. Consequently, this study was conducted with the assistance of the E-views 9 program and a statistical method.
- 2) This study's research utilized panel data, which is a combination of time series data and latitude series data (cross-section). There are two different types of data panels: the balanced panel and the unbalanced panel. In the balanced panel data, cross-sectional units have the same number of observation time series. In the meantime, unbalanced panel data is a situation in which cross-sectional units have an unequal number of series observations. This study utilized balanced panel data. Performing a quantitative analysis entails the following phases or steps:

- a) Panel data regression model selection

- a. Test assumptions

- b. Regression model estimation by using panel data

- c. Hypothesis Test

Panel data modeling combines the formation of a model formed based on time series and based on cross sections:

- b) Models with data time series

$$Y_t = \alpha + \beta X_t + \epsilon_t ; t = 1, 2, \dots, T; N: \text{the abundance of time series data}$$

- c) Models with cross-section data

$Y_i = \alpha + \beta X_i + \epsilon_i ; i = 1, 2, \dots, N; N: \text{the amount of cross-section data so that in general in the panel data model it can be written as follows:}$

$$Y_{it} = \alpha + \beta X_{it} + \epsilon_{it} ; i = 1, 2, \dots, N; \text{ and } t = 1, 2, \dots, T$$

Information:

Y = dependent variable

X = independent variable is time series data

N = the number of dependent variables is cross-data sectional (the multiplicity of conservations)

T = the amount of time

N x T = the amount of panel data.

RESULTS AND DISCUSSION

This study focuses on the 2016-2020 annual reports of corporations operating in the Property, Real Estate, and Construction industries. Data is sourced from the official website www.IDX.co.id and the websites of each company through the collection of annual reports and financial reports of Property, Real Estate, and Construction companies issued with PEFINDO

web beta shares to obtain the company's beta value in 2016-2020. Based on these criteria, a sample of 51 companies was determined in the study. Analysis of the statistics used a descriptive focus. The purpose of descriptive statistical analysis is to discover the description of the data by looking at the values of maximum, minimum, mean, and standard deviation. This can be helpful in many situations. Y, ROE, CR, DER, TATO, PBV, and Z are the variables that were utilized in the process of calculating descriptive statistics for this investigation. About the findings of the descriptive statistics, the following is an example of the picture that was obtained:

Table 1. Descriptive Statistics Result

	Y	ROE	CR	DER	TATO	PBV	Z
Mean	0.000405	0.028256	3.503218	0.981828	0.250149	1.120338	0.397492
Median	-0.105263	0.035850	1.875340	0.701528	0.189759	0.752367	0.400000
Maximum	6.640449	1.671893	40.52015	8.428408	1.160592	28.26194	0.800000
Minimum	-0.875294	-4.135638	0.143360	-10.25555	0.001223	-0.319365	0.166667
Std. Dev.	0.672752	0.304748	5.427523	1.279906	0.238724	1.997937	0.103154
Skewness	6.690391	-9.525842	4.693569	-0.986672	1.877814	10.30873	0.853062
Kurtosis	60.46164	141.3337	27.88678	30.76131	6.566698	135.8391	4.477186
Jarque-Bera Probability	36984.40 0.000000	207178.8 0.000000	7516.871 0.000000	8229.961 0.000000	285.0270 0.000000	192007.6 0.000000	54.11245 0.000000
Sum	0.103353	7.205303	893.3206	250.3661	63.78795	285.6863	101.3606
Sum Sq. Dev.	114.9591	23.58938	7482.333	416.0927	14.47521	1013.905	2.702730
Observations	255	255	255	255	255	255	255

- It is known that the minimum Y (RS) value is (-0.87529) and the maximum Y (RS) value is 6.64045. While the average and standard deviations from Y (RS) are 0.00041 and 0.672752. The company that has the highest Y (RS) value was PPRO in 2016. The company that had the lowest Y (RS) value was BCIP in 2016.
- It is known that the minimum X1 (ROE) value is (-4.13564) and the maximum X1 value (ROE) is 1.67189. While the average and standard deviations from X1 (ROE) are 0.02826 and 0.304746. The company that has the highest X1 (ROE) value was BAPA in 2016. The company that has the lowest X1 (ROE) value is ACST in 2020.
- It is known that the minimum X2 (CR) value is 0.143360 and the maximum X2 (CR) value is 40.52015. While the average and standard deviations from X2 (CR) are 3.503218 and 5.427523. The company that has the lowest value is 0.14336 and the company that has the highest value is 40.52015. The company that had the highest CR value was LCGP in 2016. The company with the lowest CR value was MMLP in 2019.
- It is known that the minimum X3 (DER) value is (-10.25555) and the maximum X3 (DER) value is 8.42841. While the average and standard deviations from X3 (DER) are 0.98183 and 1.279906. The company that has the highest X3 (DER) value is ACST in 2020. The company that has the lowest X3 (DER) value is BIKA in 2020.
- It is known that the minimum X2 (TATO) value is 0.012243 and the maximum TATO value is 116.0592. While the average and standard deviation from TATO is 27.26795 and 0.238724. The company that had the lowest TATTOO score was JKON in 2016. The company that has the highest PBV value is LCGP in 2020.
- It is known that the minimum X5 (PBV) value is (-0.31937) and the maximum X5 value (PBV) is 28.26194. While the average and standard deviations from X5 (PBV)

- are 1.12034 and 1.997937. The company that had the highest X5 value (PBV) was PPRO in 2016. The company that has the lowest X5 value (PBV) is BIKA in 2020.
- g. It is known that the minimum Z (KI) value is 0.16667 and the maximum Z (KI) value is 0.8000. While the average and standard deviations from Z (KI) are 0.39749 and 0.103154. The company that has the highest Z (KI) value is OMRE in 2020. The company that had the lowest Z (KI) value was DILD in 2017.

Hypotheses Testing

Table 2. Partial Significance Test Results (T-Test)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.028877	0.147636	-0.195596	0.8451
ROE	0.152320	0.120948	1.259384	0.2091
CR	-4.47E-05	0.006469	-0.006910	0.9945
DER	-0.026915	0.029854	-0.901534	0.3682
TATO	-0.357057	0.149575	-2.387135	0.0177
PBV	0.209243	0.017097	12.23879	0.0000
Z	-0.235338	0.329220	-0.714836	0.4754

Source: processed data software Eviews 9

Based on Table 4.2 it can be explained:

1. The test results with the regression analysis of the panel data above show that the probability value in the ROE variable (X1) of 0.2091 > 0.05 then H0 is accepted and H1 is rejected, and it can be stated that ROE has no influence on stock returns.
2. The test results with regression analysis of the panel data above show that the probability value in the variable CR (X2) of 0.9945 > 0.05 then H0 is accepted and H1 is rejected, and it can be stated that CR has no influence on stock returns.
3. The test results with the regression analysis of the panel data above show that the probability value in the variable DER (X3) of 0.3682 > 0.05 then H0 is accepted and H1 is rejected, and it can be concluded that DER has no influence on stock returns.
4. The test results with regression analysis of the panel data above show that the probability value on the TATO variable (X4) of 0.0177 < 0.05 then H1 is accepted and H0 is rejected, it can be concluded that TATO has an influence on stock returns.
5. The test results with the regression analysis of the panel data above show that the probability value on the PBV variable (X5) of 0.0000 < 0.05 then H1 is accepted and H0 is rejected, it can be concluded that PBV has an influence on stock returns.

Table 3. F-Test Result

R-squared	0.383320	Mean dependent var	0.000405
Adjusted R-squared	0.368400	S.D. dependent var	0.672752
S.E. of regression	0.534658	Akaike info criterion	1.612687
Sum squared resid	70.89299	Schwarz criterion	1.709898
Log likelihood	-198.6176	Hannan-Quinn criter.	1.651789
F-statistic	25.69223	Durbin-Watson stat	1.608643
Prob(F-statistic)	0.000000		

Source: Eviews 9 software data processing results

Based on the test results presented in the preceding table, a prob f-test value of 0.00 was determined. Since $0.00 < 0.05$, it can be concluded that ROE, CR, DER, TATO, and PBV influence the Return of Shares in Property, Real Estate, and Construction Companies listed on the Indonesia Stock Exchange over the period 2016-2020.

Table 4. Moderated Regression Analysis Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.198199	0.277848	0.713335	0.4763
ROE	0.517507	1.182797	0.437528	0.6621
CR	-0.008673	0.024221	-0.358076	0.7206
DER	0.012758	0.132658	0.096172	0.9235
TATO	0.269921	0.734963	0.367257	0.7137
PBV	-0.159055	0.093345	-1.703952	0.0897
Z	-0.676822	0.697181	-0.970799	0.3326
M1	-0.938865	2.974763	-0.315610	0.7526
M2	0.018493	0.057938	0.319189	0.7499
M3	-0.122528	0.353896	-0.346226	0.7295
M4	-1.478484	1.867830	-0.791552	0.4294
M5	0.808149	0.200655	4.027548	0.0001
R-squared	0.423832	Mean dependent var	0.000405	
Adjusted R-squared	0.397750	S.D. dependent var	0.672752	
S.E. of regression	0.522087	Akaike info criterion	1.583951	
Sum squared resid	66.23574	Schwarz criterion	1.750599	
Log likelihood	-189.9538	Hannan-Quinn criter.	1.650984	
F-statistic	16.25019	Durbin-Watson stat	1.712732	
Prob(F-statistic)	0.000000			

Source: Eviews 9.0 software data processing results

As shown in table 4.7, the relationship between the fundamental factors of a company (ROE, CR, DER, TATO), the fair price of shares (PBV), and investment decisions (stock returns), can be moderated by good corporate governance (independent commissioners), as shown in the following panel data regression equation.

$$Y = 0.198199 + 0.517507X_1 + -0,008673X_2 + 0.012758X_3 + 0.269921X_4 + -0.159055X_5 + -0.938865X_1 * Z + 0.018493X_2 * Z + -0.122528X_3 * Z + -1.478484X_4 * Z + 0.80819X_5 * Z + E$$

Discussion

The objective of this study is to examine the impact of the company's financial performance and the fair price of shares, with excellent corporate governance as a moderating variable on Property, Real Estate, and Construction firms listed on the Indonesian stock exchange during the period 2016-2020. The test outcomes revealed the following influence of each independent

variable on the dependent variable:

1) The Effect of ROE's financial performance on Investment Decisions (Stock Returns)

Based on the outcomes of the tests, a regression coefficient value of 0.152320 with a significance level of 0.2091 was determined. With a higher degree of significance than necessary, 0.05, it is possible to conclude that the company's financial performance (ROE) has no impact on investment decisions (stock returns). The first hypothesis (H1) regarding the relationship between the financial success of a company (ROE) and investment decisions (stock returns) is rejected. Contrary to the study (Pandaya, Julianti, & Suprpta, 2020), it has been found that ROE has a little but insignificant effect on stock prices. This study is identical to that conducted by Adrisa et al. (2021) which concluded that ROE has no effect on stock returns.

2) The Effect of CR's financial performance on Investment Decisions (Stock Returns)

The tests conducted yielded a regression coefficient value of $-4.47E-05$ at a significance level of 0.9945. With a significance level greater than that required, 0.05, it is possible to conclude that the Company's financial performance (CR) has no bearing on the Investment Decision (Stock Return). The second hypothesis (H2) on the relationship between the financial performance (CR) of a company and investment decisions (stock returns) is rejected. In contrast to the findings of Gursida (2017) which suggests that the current ratio affects stock prices, we find that this is not the case. This study is identical to the study of Jusman & Puspitasari (2020), which concluded that the current ratio has no effect on stock prices.

3) Effect of DER's financial performance on Investment Decisions (Stock Returns)

Based on the test results, a regression coefficient value of 0.026915 with a significance level of 0.3682 was determined. With a significance greater than the requisite 0.05, it is possible to conclude that the financial performance of the firm (DER) has no effect on investment decisions (stock returns). The third hypothesis (H3) asserting that a company's financial success (DER) is correlated with investment decisions (stock returns) is rejected. Contrary to the research conducted by Izuddin (2020), which indicates that DER has a considerable negative impact on stock returns, we find the opposite to be true. This research is identical to that of Pandaya et al. (2020), which concluded that DER has no effect on stock returns.

4) The Effect of TATO's financial performance on Investment Decisions (Stock Returns).

The tests conducted yielded a regression coefficient value of -0.357057 with a significance level of 0.0177. With a lower significance level than necessary, 0.05, it is possible to conclude that the company's financial performance (TATO) negatively affects investment decisions (stock returns). The fourth hypothesis (H4) is accepted, which asserts that the company's financial success (TATO) is correlated with investment decisions (stock returns). This is consistent with the conclusion of Izuddin (2020) that TATO has an effect on stock returns.

5) Effect of Fair Price of Shares (PBV) on Investment Decisions (Stock Returns).

Based on the test results, a regression coefficient value of -0.209243 with a significance level of 0.0000 was determined. With a significance level less than necessary, 0.05, it is possible to conclude that the fair price of shares (PBV) has a beneficial impact on investment decisions (stock returns). The fifth hypothesis (H5) is accepted, which argues that the fair price of shares (PBV) is correlated with investment decisions (stock returns). This is consistent with the study conducted by Surjanto & Sugiharto (2021), which indicates that PBV influences stock prices,

and research conducted by *Pandaya et al. (2020)*, which revealed that PBV impacts stock returns.

6) Good Corporate Governance (Independent Commissioner) Moderates the Influence of Financial Performance Factors (ROE) on Investment Decisions (Stock Returns)

Based on the calculation results of the tests conducted, the probability value of 0.7526 is more than 0.05, and the resulting coefficient is -0.938865. The sixth hypothesis (H6) that the board of commissioners can diminish or strengthen the relationship between return on equity (ROE) and stock returns is therefore rejected.

CONCLUSION

Based on its analysis and discussion, this study concludes that Return On Equity (ROE), Current Ratio, and Debt to Equity Ratio have little influence on investment decisions (stock returns). On the other side, the Investment Decision is influenced by two financial performance indicators: Total Asset Turnover (TATO) and Fair Price of the Shares (Price Book Ratio / PBV) (Stock Return). Good Corporate Governance cannot mitigate (weaken) the impact of Return on Equity (ROE), Current Ratio, Debt to Equity Ratio (DER), and Total Asset Turnover (TATO) on investment decisions (stock returns). Good Corporate Governance (GCG) can only modify (intensify) the impact of the Price Book Ratio on investment decisions (stock returns). Future studies may be able to apply alternative analytic methods and modify the wider conceptual model in order to create more accurate predictions, particularly regarding the financial performance variable and the Good Corporate Governance (independent commissioner) variable. Using a broader scope so that the findings may be used to a larger number of Samples and extending the object and research time in order to more precisely depict the stock price of the company.

REFERENCES

- Adrisa, F. S., Nurdin, A. A., & Setiawan, I. (2021). Analisis Pengaruh Faktor Fundamental terhadap Harga Saham pada Perusahaan yang Konsisten Terdaftar di Jakarta Islamic Index. *Journal of Applied Islamic Economics and Finance*, 1(3), 710–717.
- Arifin, A. Z., Kevin, K., & Siswanto, H. P. (2017). The influence of financial knowledge, financial confidence, and income on financial behavior among the workforce in Jakarta. *MIX: Jurnal Ilmiah Manajemen*, 7(1).
- Endri, E. (2016). Dampak Perubahan Satuan Perdagangan Dan Fraksi Harga Terhadap Likuiditas Saham. *MIX: Jurnal Ilmiah Manajemen*, 6(1), 156519.
- Gursida, H. (2017). The influence of fundamental and macroeconomic analysis on stock price. *Jurnal Terapan Manajemen Dan Bisnis*, 3(2), 222–234.
- Handayani, J. D., & Panjaitan, Y. (2019). Board gender diversity and its impact on firm value and financial risk. *Mix: Jurnal Ilmiah Manajemen*, 9(3), 293233.
- Izuddin, M. (2020). Analisis Pengaruh Faktor Fundamental Terhadap Return Saham Perusahaan Konstruksi (Studi Pada Saham Perusahaan Yang Tercatat Aktif Dalam LQ-45 di BEI Periode 2011-2018). *Jurnal Ilmiah Ekbank*, 3(1).
- Jogiyanto. (2014). *Teori Portofolio dan Analisis Investasi* (10th ed.).
- Jusman, J., & Puspitasari, S. D. P. S. D. (2020). Pengaruh Kondisi Fundamental Dan Inflasi Terhadap Harga Saham Pada Perusahaan Sub Sektor Perkebunan Tahun 2016-2018.

- Jurnal Ilmiah Ekonomi Bisnis*, 6(1), 84–98.
- Kasmir. (2016). *Manajemen Sumber Daya Manusia (Teori dan Praktik)*. PT. Rajagrafindo Persada.
- Oktiwiati, E. Dela, & Nurhayati, M. (2020). Pengaruh Profitabilitas, Struktur Modal, Dan Keputusan Investasi Terhadap Nilai Perusahaan (Pada Sektor Farmasi Yang Terdaftar Di Bursa Efek Indonesia Tahun 2013-2017). *MIX: Jurnal Ilmiah Manajemen*, 10(2), 314601.
- Pandaya, P., Julianti, P. D., & Suprpta, I. (2020). Pengaruh faktor fundamental terhadap return saham. *Jurnal Akuntansi*, 9(2), 233–243.
- Sugianto, D. (2020). *Detik Finance*.
- Sugiyono, D. (2018). *Metode Penelitian Kuantitatif, Kualitatif dan R&D*. Alfabeta.
- Sukamulja, S. (2019). *Analisis laporan keuangan sebagai dasar pengambilan keputusan investasi*.
- Surjanto, D., & Sugiharto, T. (2021). LQ45 Stock Price Valuation Analysis Using Price to Book Value (PBV) and Price Earning Ratio (PER) Variables from 2016-2020. *Enrichment: Journal of Management*, 12(1), 205–211.
- Taufik, T. (2016). Mediasi Profitabilitas Pada Hubungan Antara Good corporate governance Dan Firm Size Terhadap Corporate Social Responsibility. *MIX: Jurnal Ilmiah Manajemen*, 6(3), 399–415.
- Yuniningsih, Y., & Taufiq, M. (2019). Investor Behavior In Determining Investmen On Real Asset. *MIX: Jurnal Ilmiah Manajemen*, 9(2), 293227.
- Zarkasyi, W. (2008). Good corporate governance pada badan usaha manufaktur, perbankan, dan jasa keuangan lainnya. *Bandung: Alfabeta*, 5.