Effect of Liquidity, Solvency, Profitability and Market Ratio on Stock Price (Study on Sub-Sector Manufacturing Companies, IDX 2016-2020)

Rivi Suci Fahriyana[1]); Sari Puspitarini[2]

[1])*rivisuci2301@gmail.com, Faculty of Economics & Business, Universitas Mercu Buana, Jakarta Indonesia*
[2])*sari.puspita@mercubuana.ac.id, Faculty of Economics & Business, Universitas Mercu Buana, Jakarta Indonesia*

**Article Information:**

Abstract in English

The purpose of this study was to analyze and examine the effect of Liquidity Ratio (CR), Solvency Ratio (DER), Profitability Ratio (ROE) and Market Ratio (EPS) on Stock Prices in Manufacturing Companies in the Food and Beverage Sub-Sector Listed on the Indonesia Stock Exchange Period 2016-2020. Investors or potential investors must analyze the stock price first so that there are no mistakes when investing because the movement of a company's stock price cannot be easily predicted. So it is necessary to know what things can affect stock prices. The data in this study were obtained from the financial statements of 14 manufacturing companies in the food and beverage sub-sector with secondary data collection techniques using panel data regression with eviews 10 software. The results of the study showed that CR, DER, and ROE had a positive effect and did not have a significant effect. to stock prices. While the EPS variable has a positive and significant effect on stock prices

INTRODUCTION

The food and beverage industry is one of the sectors of manufacturing companies and is an important sector in the Indonesian economy. The food and beverage industry, if observed, will be able to become a part of the instrument that plays a role in supporting equity and the welfare of the Indonesian people. Along with the increasing population growth in Indonesia, the need for food and beverages also continues to increase.

In times like today, in a declining economic situation, as we can see now that there are more and more competitors between companies, it makes the company need a lot of additional funds in order to continue to compete with existing competitors. One of the factors that exist to support the sustainability of an industry is by selling shares. The stock price is a very important factor and must be considered by investors in investing because the stock price shows the company's achievements, and can show whether the company's performance is good enough or not. The higher the stock price will attract the attention of investors, investors will think that the company is good. Therefore, it is possible for investors to invest in the company.

**Figure 1: Average stock prices of food & beverage 2016-2020**
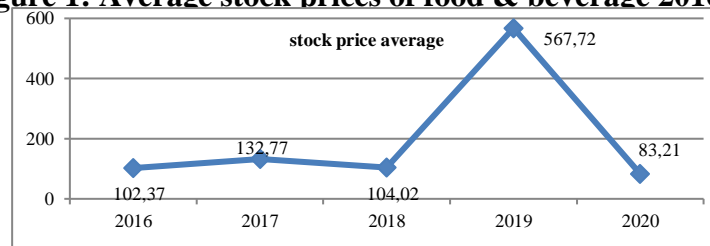
Source: idx (processed data) 2021

Figure 1 shows that the average stock price of a sample of food and beverage sub-sector companies listed on the Indonesia Stock Exchange (IDX) for the 2016 – 2020 period. The stock price at that time was very volatile. In 2020, it experienced a drastic decline to reach 83.21. The

INDIKATOR
Jurnal Ilmiah Manajemen & Bisnis
Scientific Journal of Management & Business

Vol. 7 No. 1, January 2023

p-ISSN: 2598-6783
e-ISSN: 2598-4888

tendency of the average value of stock prices to fluctuate and tend to decrease should be in line with the average sales value, but all sub-sectors experienced a significant increase.

Figure 2: Average sales of food and beverage sub-sector companies, 2016-2020.
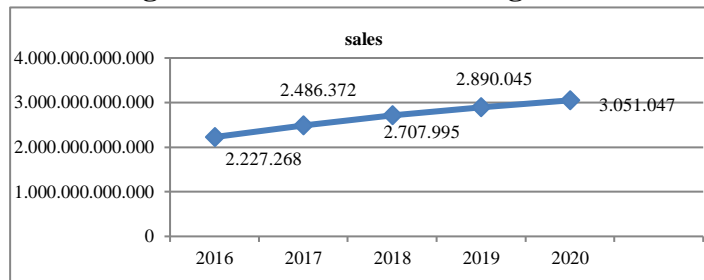
Source: idx (processed data) 2021

The economic condition of the company can be seen from the success of good performance, this can be seen from the financial statements that provide data, which in turn can indicate trends and can be applied to create various ratios. Of the various financial ratios, researchers are interested in using the liquidity ratio proxied by the Current Ratio (CR), the solvency ratio as proxied by the Debt to Equity Ratio (DER), the profitability ratio as proxied by Return On Equity (ROE), and the market ratio as proxied by Earnings Per Share (EPS).

Based on the description of the background problems above, the objectives of this study are:

1. To determine the effect of the liquidity ratio (CR) on stock prices of food and beverage companies listed on the Indonesia Stock Exchange for the period 2016 - 2020.
2. To determine the effect of solvency ratio (DER) to share prices in food and beverage sub-sector companies listed on the Indonesia Stock Exchange for the period 2016 - 2020.
3. To determine the effect of profitability ratios (ROE) on stock prices in food and beverage sub-sector companies listed on the Indonesia Stock Exchange for the period 2016 - 2020.
4. This study aims to determine the effect of market ratios (EPS) on stock prices in food and beverage sub-sector companies listed on the Indonesia Stock Exchange for the period 2016 - 2020.
5. To find out how the effect of liquidity ratios (CR), solvency ratios (DER), profitability ratios (ROE), and market ratios (EPS) on stock prices in food and beverage sub-sector companies listed on the Indonesia Stock Exchange for the period 2016 - 2020.

LITERATURE REVIEW

Stock Price. According to Darmadji & Fakhrudin (2012:102), defines that the stock price is the price that occurs on the stock exchange at a certain time. Stock prices can change up or down in a matter of time so quickly. This is possible because it depends on the demand and supply between the stock buyers and the stock sellers. According to Fahmi (2015:74) the factors that affect stock prices consist of internal factors and external factors, including the following: The internal factors are:

a. The company's policy in deciding to expand.
b. Change of directors.
c. There are directors or commissioners involved in the case.
d. And the company's performance has decreased.

While the external factors are:

a. Micro and macro economic conditions.

b. Systematic risk is a form of risk that occurs as a whole and causes the company to be involved.

c. The effect of market psychology that occurs is able to suppress the technical condition of buying and selling shares.

Capital Market. According to Brigham and Houston (2014) the capital market is a market for medium- and long-term debt and company shares. According to Jogiyanto (2018), the capital market plays a very important role in the economic development of a nation.

In addition, there are several functions held by the capital market, including:

a. Savings function, which is where the capital market acts as a place where someone invests their capital for long-term profits.

b. The function of wealth, namely saving money or capital is safer than saving money in a bank because it does not depreciate.

c. The liquidity function is that wealth invested in the capital market can be disbursed with less risk.

Signaling Theory. According to Wiyono and Kusuma (2017:27), information asymmetry theory (asymmetric information theory), or also known as signal theory (signaling theory) was developed in economics and finance which is based on the idea that company insiders (insiders) generally have more information. better about the company compared to outsiders.

Financial Ratio Analysis. According to Harahap (2015), financial ratios are activities to compare the numbers in the financial statements by dividing one number by another. The ratio will be more appropriate to be used as an indicator or the beginning of the analysis which when using the ratio we will try to analyze it further or find the cause of this occurrence (Kasmir, 2016).

Liquidity Ratio. According to Kasmir (2016) a ratio that describes a company's ability to pay off all obligations that must be fulfilled immediately (its short-term debt). In this study, researchers used the Current Ratio (CR) to measure liquidity, which can be explained as follows: Current Ratio to regulate the company's ability to pay short-term obligations or debts that are due immediately when billed in their entirety. This ratio compares current assets with current liabilities. Current Ratio formula is:

$$CR = (Current\ Assets)/(Current\ Liabilities) \times 100\%$$

Effect of Current Ratio (CR) on Stock Price. Previous research conducted by (Husain, 2021) stated that the current ratio has a positive and significant effect on stock prices. Then the hypothesis of this research is formulated as follows:

H_1: CR has a positive and significant effect on stock prices.

Solvency Ratio. According to Harahap (2015), it is used to measure the extent to which company assets are financed by debt. A company is said to be solvable if the company has sufficient assets or wealth to pay all its debts when the company is liquidated but is not automatically a liquid company. In this study, the researcher uses the Debt to Equity Ratio (DER) to measure the solvency ratio, which is explained as follows: Debt to Equity Ratio according to Kasmir (2016) to assess debt with equity. Comparison between total debt (current debt and long-term debt) and capital which shows the company's ability to meet its obligations using existing capital. The formula for the debt to equity ratio is:

$$DER = (Total\ Debt)/(Capital) \times 100\%$$

Effect of Debt To Equity Ratio (DER) on Stock Prices. Previous research conducted by Agustina (2018) stated that the debt to equity ratio has a positive and significant effect on stock prices. Then the hypothesis of this research is formulated as follows:

H_2: DER has a positive and significant effect on stock prices.

Market Ratio. According to Hery (2015:83) the ratio used to estimate the company's intrinsic value. In this study, researchers used Earning Per Share (EPS) to measure market ratios, which are described as follows: Earning per share, according to Fahmi (2015:83) is a form of giving benefits given to shareholders from each share owned. The formula for earnings per share is: $EPS = (Earning\ After\ Tax)/(Total\ Shares\ Outstanding)$

The Effect of Return On Equity (ROE) on Stock Prices. Previous research conducted by (Levina 2019) stated that return on equity had a positive and significant effect on stock prices. Then the hypothesis of this research is formulated as follows:

H_3: ROE has a positive and significant effect on stock prices.

Effect of Earning Per Share (EPS) on Stock Price. Previous research conducted by (Widodo&Dewi 2017) proved that earnings per share have a positive and significant effect on stock prices. Then the hypothesis of this research is formulated as follows:

H_4 : EPS has a positive and significant effect on stock prices.

Figure 3: Conceptual Framework
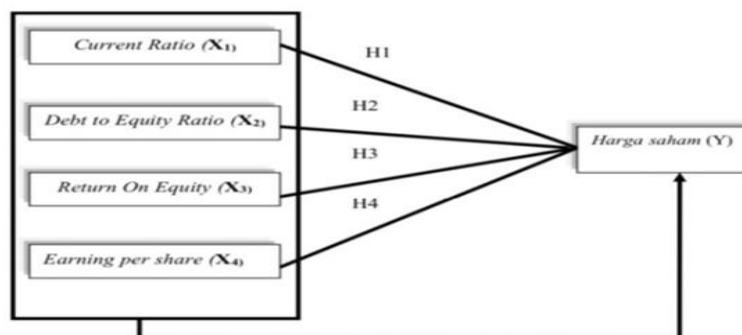
METHOD

In this study, the research design used in this study was causal research. The design of this study is useful to determine whether there is an effect of the independent variable on the dependent variable, namely stock prices. the approach taken in this research is to use a quantitative approach.

The population used in this study are all manufacturing companies in the food and beverage sector that have been listed on the Indonesia Stock Exchange (IDX), which have published annual reports in 2016-2020. The population in this study amounted to 26 companies. There are 14 companies that meet the criteria to be sampled, namely:

Table 1. Sample

NO	Kode Perusahaan	Nama Perusahaan
1	AISA	PT.Tiga pilar sejahtera food.Tbk
2	ALTO	PT.Tri banyan tirta.Tbk
3	CEKA	PT.Wilmar cahaya indonesia.Tbk
4	DLTA	PT. Delta Djakarta.Tbk
5	ICPB	PT. Indofood CPB sukses makmur.Tbk
6	INDF	PT. Indofood sukses makmur.Tbk
7	MLBI	PT. Multi bintang indonesia.Tbk
8	MYOR	PT. Mayora indah.Tbk
9	PSDN	PT. Prashida aneka niaga.Tbk
10	ROTI	PT. Nippon indosari corporindo.Tbk
11	SKBM	PT. Sekar bumi.Tbk
12	SKLT	PT. Sekar laut.Tbk
13	STTP	PT. Siantar top.Tbk
14	ULTJ	PT. Ultrajaya milk industri & drading company.Tbk

Source: idx Data processed, 2021(2021)

Data Collection Techniques. This study uses quantitative data, and is secondary data, namely data obtained or collected from existing sources. For the purposes of analysis using the method of documentation. The data studied came from internet sites, namely Yahoo Finance and the Indonesian Stock Exchange (IDX).

Descriptive Statistics. According to Ghozali (2013) Descriptive statistics are carried out to provide an overview or description of a data seen from the average value (mean), standard deviation, maximum, minimum.

Panel Data Regression Analysis. According to Widarjono (2013: 353) panel data regression is a combination of time series data and cross section data. The regression model estimation method using panel data is carried out through three approaches, namely: the common effect model, the fixed effect model, and the random effect model.

Model Selection Test. To choose a model that is most appropriate to use in managing panel data, there are several tests that can be carried out, including:

a. The Chow test is a test to determine the most appropriate fixed effect model or random effect model used in estimating panel data.

b. Hausman test is a statistical test to choose whether the fixed effect model or random effect model is the most appropriate.

c. The Lagrange Multiplier test is used to determine whether the random effect model is better than the common effect model using the Lagrange multiplier model.

Hypothesis Test.

a. Coefficient of Multiple Determination (R^2) Describes how far the ability of the regression model to explain the variation of the independent variable affects the dependent variable. The larger the R-squared result, the better because it identifies the better the independent variable in explaining the variable.

b. The F statistic test (F test) basically shows whether all independent or independent variables included in the model have a simultaneous effect on the dependent variable.

c. Statistical T test (t test) is used to determine whether each independent variable partially has a significant effect on the dependent variable in other words, to determine whether each independent variable can explain the changes that occur in the dependent variable significantly.

RESULTS AND DISCUSSION
Results

Descriptive Statistics. Stock price results show that the share prices. The samples for this study ranged from 130 to 16,000. The value of the standard deviation of the stock price is 4,067.66, which is greater than the mean (average) value of 3,595.15, meaning that the deviation of the stock price data can be said to be less good.*Current Ratio* (CR)results show that which is the sample of this study ranges from 15.23 to 863.78. The standard deviation of the CR is 186.55, which is smaller than the mean (average) value of 231.99, which means that the CR data deviation can be said to be good.*Debt to Equity Ratio* (DER)results show which is the sample of this study ranges from -2.12 to 5.17. The standard deviation value of the DER is 0.90, which is greater than the mean (average) value of 0.88, which means that the deviation of the DER data can be said to be less good..*Return On Equity* (ROE)results show that which is the sample of this study ranges from -97.35 to 145.71. The ROE standard deviation value of 34.28 is greater thanthe mean(average) value of 15.87 which means that the deviation of the ROE data can be said to be less good.*EarningPer Share* (EPS)results show that which are the samples of this study range from -171.47 to 627.34. The standard deviation value of EPS is 201.30,

INDIKATOR
Jurnal Ilmiah Manajemen & Bisnis
Scientific Journal of Management & Business

Vol. 7 No. 1, January 2023

p-ISSN: 2598-6783
e-ISSN: 2598-4888

which is greater than the mean (average) value of 181.19, which means that the deviation of the earnings per share data can be said to be less good.

Stationarity Test Results. Stationarity Test of Stock Price Variablesshows that the stock price variable has a probability value smaller than the value of (5%) which is 0.0253 <0.05, thus the data is stationary at the intercept level stage.Stasioneritas Variabel Current Ratio Test (CR)shows that the CR variable has a probability value greater than the value of (5%) which is 0.0651 > 0.05 then H_0 is accepted and Ha is rejected. Thus the data is not stationary and must be done 1stDifference.Based on the results of the output, it can be seen that the statistical probability value > the value of (5%) is 0.0059 <0.05, thus the data is stationary at the intercept level stage. Stasioneritas Variabel Debt to Equity Ratio Test (DER)shows that the DER variable has a probability value smaller than the value of (5%) which is 0.0000 < 0.05, thus the data is stationary at the intercept level stage.Stasioneritas Variabel Return On Equity Test (ROE)shows that the ROE variable has a probability value greater than (5%) ie 0.1263 > 0.05 then H_0 is accepted and Ha is rejected. Thus the data is not stationary and must be done 1stDifference.Based on the results of the output, it can be seen that the statistical probability value > the value of (5%) is 0.0295 <0.05, thus the data is stationary at the intercept level stage. Stasioneritas Variabel Earning Per Share Test (EPS)shows that the EPS variable has a probability value smaller than the value of (5%) which is 0.0035 < 0.05, thus the data is stationary at the intercept level stage.

Panel Data Regression Analysis. Based on the test results of the common effect model in table 2, the prediction of earnings management can be assumed into the following equation:
$$Y = 313,229\ 1,310\ CR + 530,427\ DER + 21,117\ ROE + 15,350\ EPS + e$$

Tabel 2. Common Effect Model Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	313.2296	673.0176	0.465411	0.6432
CR	-1.310599	1.552547	-0.844161	0.4017
DER	530.4274	336.3512	1.577005	0.1196
ROE	21.11796	9.315454	2.266981	0.0267
EPS	15.35079	1.618829	9.482649	0.0000
R-squared	0.718388	Mean dependent var		3595.157
Adjusted R-squared	0.701058	S.D. dependent var		4067.661
S.E. of regression	2224.019	Akaike info criterion		18.32077
Sum squared resid	3.22E+08	Schwarz criterion		18.48138
Log likelihood	-636.2269	Hannan-Quinn criter.		18.38456
F-statistic	41.45341	Durbin-Watson stat		0.828324
Prob(F-statistic)	0.000000			

Based on the results of the fixed effect model test in table 3, earnings management predictions can be assumed into the following equation: $Y = 229,962 + 1,474\ CR + 72,818\ DER + 2,621\ ROE + 4,676\ EPS + e$.

Tabel 3. Fixed Effect Model Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2299.627	442.3469	5.198696	0.0000
CR	1.474943	1.179539	1.250440	0.2167
DER	72.81899	212.4535	0.342753	0.7332
ROE	2.621926	5.522859	0.474741	0.6370
EPS	4.676247	1.346510	3.472866	0.0010
Effects Specification				
Cross-section fixed (dummy variables)				
R-squared	0.955941	Mean dependent var		3595.157
Adjusted R-squared	0.941537	S.D. dependent var		4067.661
S.E. of regression	983.5219	Akaike info criterion		16.83719
Sum squared resid	50300394	Schwarz criterion		17.41538
Log likelihood	-571.3017	Hannan-Quinn criter.		17.06685
F-statistic	66.36709	Durbin-Watson stat		1.567447
Prob(F-statistic)	0.000000			

Based on the results of the random effect model test in table 4, the prediction of earnings management can be assumed into the following equation:

$Y = 156.907 + 0.841\ CR + 199.166\ DER + 5.326\ ROE + 8.665\ EPS + e$.

Table 4. Random Effect Model Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1569.070	517.4965	3.032039	0.0035
CR	0.841134	1.045337	0.804654	0.4240
DER	199.1665	198.5117	1.003298	0.3194
ROE	5.326661	5.270904	1.010578	0.3160
EPS	8.665815	1.170410	7.404085	0.0000

Effects Specification		S.D.	Rho
Cross-section random		1213.768	0.6036
Idiosyncratic random		983.5219	0.3964

Weighted Statistics			
R-squared	0.395932	Mean dependent var	1224.866
Adjusted R-squared	0.358759	S.D. dependent var	1668.047
S.E. of regression	1335.731	Sum squared resid	1.16E+08
F-statistic	10.65097	Durbin-Watson stat	0.822263
Prob(F-statistic)	0.000001		

Unweighted Statistics			
R-squared	0.543967	Mean dependent var	3595.157
Sum squared resid	5.21E+08	Durbin-Watson stat	0.183159

Panel Data Regression Model Selection. Chow Test Results of the table 5 show that the probability value is 0.0000 or <0.05 so it can be concluded that H_0 is rejected and H1 is accepted, or using a fixed effect model. Because the fixed effect model was selected, it was continued to the next test, namely the Hausman test.

Table 5. Chow Test Results

Effects Test	Statistic	d.f.	Prob.
Cross-section F	21.566957	(13,52)	0.0000
Cross-section Chi-square	129.850450	13	0.0000

Hausman Test Results of the table 6 show that the probability value is 0.0000 or <0.05 so it can be concluded that H_0 is rejected and H_1 is accepted.

Table 6. Hausman Test Results

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	58.890104	4	0.0000

So from several panel data model selection tests that have been carried out, the most appropriate model to use is the Fixed Effect equation model for this study, the regression equation is obtained as follows:

$Y = 229.962 + 1.474\ CR + 72.818\ DER + 2.621\ ROE + 4.676\ EPS + e$

Based on the above equation, it can be explained that:

a. The constant of 299,962 states that if CR, DER, ROE, EPS are worth 0, then the value of the share price is 229,962.

INDIKATOR
Jurnal Ilmiah Manajemen & Bisnis
Scientific Journal of Management & Business

Vol. 7 No. 1, January 2023

p-ISSN: 2598-6783
e-ISSN: 2598-4888

b. The CR regression coefficient of 1.474 states that for every 1% addition of the CR factor, the total stock price will increase by 1.474 with the assumption that the other ratios are fixed. The positive coefficient means that there is a positive relationship between CR and stock prices, if CR increases then stock prices will increase.

c. The DER regression coefficient of 72.818 states that for every 1% addition of the DER factor, the total share price will increase by 72.818 with the assumption that the other ratios are fixed. The positive coefficient means that there is a positive relationship between DER and stock prices, if DER increases then stock prices will increase.

d. The ROE regression coefficient of 2.621 states that for every 1% addition of the ROE factor, the total share price will increase by 2.621 with the assumption that the other ratios are fixed. A positive coefficient means that there is a positive relationship between ROE and stock prices, if ROE increases, stock prices will increase.

e. The EPS regression coefficient of 4.676 states that for every 1% addition of the EPS factor, the total share price will increase by 4,676 with the assumption that the other ratios are fixed. A positive coefficient means that there is a positive relationship between EPS and stock prices, if EPS increases, the stock price will increase.

Coefficient of Determination Test Results (R^2). Based on the table 7, it can be seen that the Adjusted R-squared is 0.941537 or 94.1537% which shows that CR, DER, ROE, EPS have an effect of 94.15% on stock prices and the remaining 5.85% is influenced by other factors outside this research model.

Table 7. Coefficient of Determination Test Results (R2)

R-squared	0.955941	Mean dependent var	3595.157
Adjusted R-squared	0.941537	S.D. dependent var	4067.661
S.E. of regression	983.5219	Akaike info criterion	16.83719
Sum squared resid	50300394	Schwarz criterion	17.41538
Log likelihood	-571.3017	Hannan-Quinn criter.	17.06685
F-statistic	66.36709	Durbin-Watson stat	1.567447
Prob(F-statistic)	0.000000		

Model Feasibility Test Results (F Test). The F distribution table, is searched at = 5% with Df 1 (k-1) (5-1) = 4, and Df 2 (n-k) = (70-5) = 65 which is 2.51304. In the F-statistical test above, the F-statistic value is 66,36709 which is greater than the F-table 2.51304, which is greater than the F-table (66,36709 > 2.51304) with a probability value of F-statistics 0.0000 <0.05. Because the significance value is smaller (0.0000 < 0.05), so H_0 is rejected and H_1 is accepted. So it can be concluded that the independent variables consisting of CR, DER, ROE, EPS simultaneously affect the dependent variable, namely Stock Price.

Table 8. Partial Test Results (t Test)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2299.627	442.3469	5.198696	0.0000
CR	1.474943	1.179539	1.250440	0.2167
DER	72.81899	212.4535	0.342753	0.7332
ROE	2.621926	5.522859	0.474741	0.6370
EPS	4.676247	1.346510	3.472866	0.0010

Effect of Current Ratio (CR) on Stock Prices. Based on the data in the table 8 above, the results of the CR variable t-test obtained a t-count value of 1.250440 < t-table of 1.997 with

INDIKATOR
Jurnal Ilmiah Manajemen & Bisnis
Scientific Journal of Management & Business

Vol. 7 No. 1, January 2023

p-ISSN: 2598-6783
e-ISSN: 2598-4888

a probability value of 0.2167. The probability value is greater than the value of = 0.05 (0.2167 > 0.05) so this means that H_0 is accepted and it can be concluded that CR does not have a significant effect on stock prices. Based on the results of regression calculations using the fixed effects model test, the CR variable has a regression coefficient of + 1.474. coefficient is positive, meaning that there is a positive relationship between the CR variable and the stock price variable.

H_1: Current Ratio (CR) has a positive effect and does not significantly affect stock prices.

 Effect of Debt to Equity Ratio (DER) on Stock Price.Based on the data in the table above, the results of the DER variable t-test obtained a t-count value of 0.342753 < t-table of 1.997 with a probability value of 0.7332. The probability value is greater than the value of = 0.05 (0.7332 > 0.05) so this means that H0 is accepted and it can be concluded that DER does not have a significant effect on stock prices. Based on the results of the regression calculation using the fixed effects model test, the DER variable has a regression coefficient of + 72.818. coefficient is positive, meaning that there is a positive relationship between the DER variable and the stock price variable.

H_2: Debt to Equity Ratio (DER) has a positive effect and does not significantly affect stock prices.

 The Effect of Return On Equity (ROE) on Stock Prices. Based on the data in the table 8 above, the results of the t-test of the ROE variable obtained a t-count value of 0.474741 < t-table of 1.997 with a probability value of 0.6370. The probability value is greater than the value of = 0.05 (0.6370 > 0.05) so this means that H0 is accepted and it can be concluded that ROE does not have a significant influence on the stock price. Based on the results of regression calculations using the fixed effects model test, the ROE variable has a regression coefficient of + 2.621. coefficient is positive, meaning that there is a positive relationship between the ROE variable and the stock price variable.

H_3: Return on Equity (ROE) has a positive effect and does not significantly affect stock prices.

 Effect of Earning Per Share (EPS) on Stock Price.Based on the data in the table 8 above, the results of the t-test of the EPS variable obtained a t-count value of 3.472866 > t-table of 1.997 with a probability value of 0.0010. The probability value is smaller than the value of = 0.05 (0.0010 <0.05) so this means that H0 is rejected and it can be concluded that EPS has a significant influence on the stock price. Based on the results of regression calculations using the fixed effect model test, the EPS variable has a regression coefficient of + 4,676. coefficient is positive, meaning that there is a positive relationship between the EPS variable and the stock price variable.

H_3 : Earning Per Share (EPS) has a positive and significant effect on stock prices.

Discussion

 Effect of Current Ratio (CR) on Stock Price. Based on the results of the hypothesis above, it is known that CR has no significant positive effect on stock prices. This means that if the CR increases it will be followed by an increase in stock prices and vice versa if the CR decreases then the stock price will also decrease, but this ratio is too high not necessarily the company is in good condition because it indicates the company cannot process current assets effectively and many funds are idle. (idle cash). CR does not have a significant effect on stock prices, probably because investors realize that CR has limitations.

 The Effect of Debt to Equity Ratio (DER) on Stock Prices. Based on the results of the hypothesis above, it is known that DER has a positive and no significant effect on stock

INDIKATOR
Jurnal Ilmiah Manajemen & Bisnis
Scientific Journal of Management & Business

Vol. 7 No. 1, January 2023

p-ISSN: 2598-6783
e-ISSN: 2598-4888

prices. This means that if the DER increases it will be followed by an increase in stock prices and vice versa if the DER decreases then the stock price will also decrease but this also shows that too much company debt will lead to greater financial risk to be borne by the company.

The Effect of Return On Equity (ROE) on Stock Prices..Based on the results of the hypothesis above, it is known that ROE has a positive and no significant effect on stock prices. When ROE increases, the stock price will also increase. Possibly for investors, ROE is not one of the factors that determine the decision to invest. Investors still think that capital gains and dividends are attractive in determining investment.

Effect of Earning Per Share (EPS) on Stock Price. Based on the results of the hypothesis above, it is known that EPS has a positive and significant effect on stock prices. EPS is one of the important components that must be considered by investors and potential investors. This study shows the results of a significant effect on stock prices, meaning that a high EPS indicates that the company has succeeded in increasing the level of investor prosperity. If the company's EPS is higher, then investors will be interested in buying the shares, so the stock price will increase.

CONCLUSION

1. Current Ratio (CR) has a positive effect and does not have a significant effect on stock prices
2. Debt to Equity Ratio (DER) has a positive effect and does not have a significant effect on stock prices
3. Return On Equity (ROE) has a positive effect and does not have a significant effect on stock prices
4. Earning Per Share (EPS) has a positive and significant effect on stock price

REFERENCE

Aeni, Riza (2018a). "Pengaruh Debt To Equity Ratio (Der), Return On Equity (Roe), Earning Per Share (Eps), Price Earning Ratio (Per), Dan Price To Book Value (Pbv) TerhadapHargaSahamPadaSektor Aneka Industri Yang Terdaftar Di Bei 2014-2016".S1- Sarjana Thesis.FakultasEkonomi&Bisnis, UniversitasMercubuana Jakarta.

AndriePratama,C., Farah Azizah,D., &Nurlail,F. (2019a). "Pengaruh Return On Equity (Roe), Earning Per Share (Eps), Current Ratio (Cr) Dan Debt To Equity Ratio (Der) TerhadapHargaSaham (StudiPada Perusahaan Jakarta Islamic Index Yang Terdaftar Di Bursa Efek Indonesia Tahun 2014-2017)". JurnalAdministrasiBisnis (Jab). Vol. 66 No. 1.FakultasIlmuAdministrasi, UniversitasBrawijaya Malang.

Annatsa, SeptianiNafa. (2019). " Pengaruh Current Ratio (CR), Debt to Equity Ratio (DER), Price Earning Ratio (PER), dan Earning Per Share (EPS) TerhadapHargaSaham (StudiKasus Sub Sektor Property dan Estate yang Terdaftar di BEI Periode 2011-2017)". S1 thesis, UniversitasMercuBuana Jakarta.

Anwar, Y & Rahmalia, L. (2019b) "The Effect Of Return On Equity, Earning Per Share And Price Earning Ratio On Stock Prices". The Accounting Journal Of Binaniaga, Vol. 04, No. 0. Bogor.

Apriyani, Fitri. (2017a). "Pengaruh Current Ratio (Cr), Return Of Equity (Roe), Dan Return Of Asset (Roa) TerhadapHargaSahamPada Perusahaan ManufakturSektorBarangKonsumsi Yang Terdaftar Di Bei 2011-2015". S1- Sarjana Thesis.FakultasEkonomi&Bisnis, UniversitasMercubuana Jakarta.

Asmirantho, E. & Kusumah Somantri, O. (2017b). "The Effect Of Financial Performance On Stock Price At Pharmaceutical Sub-Sector Company Listed In Indonesia Stock

Exchange". Jurnal Ilmiah Akuntansi, Fakultas Ekonomi, 3 (2), 94-107. Faculty Of Economics. Pakuan University

Banchuenvijit, W. (2016a)." Financial Ratios And Stock Prices: Evidence From The Agriculture Firms Listed On The Stock Exchange Of Thailand". Thailand: School Of Business University Of The Thai Chamber Of Commerce.

Chandra Batubara, H. & Ika Purnama, N. (2018b). "Pengaruh Current Ratio, Return On Equity Terhadap Harga Saham Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia". Jurnal Riset Finansial Bisnis, 2 (2), 61-70, Issn: 2597-399. Sumatra Utara: Fakultas Ekonomi, Universitas Muhammadiyah Sumatera Utara.

Ebert, R.J., & Griffin, R.W. (2015a). PengantarBisnis. EdisiKesepuluh. Jakarta: PenerbitErlangga.

Kamar, K .(2017d). "Analysis Of The Effect Of Return On Equity (Roe) And Debt To Equity Ratio (Der) On Stock Price On Cement Industry Listed In Indonesia Stock Exchange (Idx) In The Year Of 2011-2015". Journal Of Business And Management (Iosr-Jbm).Volume 19, Issue 5. Ver. Iii.

Kuncorowati, Anjas. (2019). "Pengaruh Cureent ratio, Debt to equity ratio, Return on equity Terhadap Harga Saham Perusahaan Tekstil dan Garmen di Bursa Efek Indonesia Periode 2013-2016". S1 thesis, Universitas Mercu Buana Jakarta.

Kristina. (2016b). "Pengaruh Earning Per Share (Eps), Debt Equity Ratio (Der) Dan Current Ratio (Cr) TerhadapHargaSaham Perusahaan Manufaktur Yang Terdaftar Di Bei 2010-2014 (Sub SektorMakanan Dan Minuman)".S1- Sarjana Thesis.FakultasEkonomi&Bisnis, UniversitasMercubuana Jakarta.

NurHasanah, A., &NurAinni,S. (2019c). "Pengaruh Return On Equity (Roe), Earning Per Share (Eps), Dan Debt To Equity Ratio (Der) TerhadapHargaSahamJii Yang Terdaftar Di Bursa Efek Indonesia (Bei) Tahun 2018". Journal Of Multidisciplinary Studies. Vol. 3 No. 1.FakultasEkonomi Dan Bisnis Islam, Institut Agama Islam Negeri Surakarta.

Valintino, R., & Sularto, L. (2015d). "Pengaruh Return On Asset (Roa), Current Ratio (CR), Return On Equity (ROE), Debt to Equity Ratio (DER), dan Earning Per Share (EPS) Terhadap Harga Saham Perusahaan Manufaktur Sektor Industri Barang Konsumsi di Bei". Issn: 1858-2559. Bandung.

Wardi, J. (2015e).''Pengaruh Current Ratio, Debt To Equity Ratio, Return on Equity Dan Earning Per Share TerhadapHargaSahamPada Perusahaan Pertambangan yang Terdaftar di BEI Periode 2009-201''. Pekanbaru: FakultasEkonomi, UniversitasLancangKuningPekanbaru.

Watih, Rima. (2020). "AnalisisPengaruh Current Ratio (CR), Return on Assets (ROA), Earning Per Share (EPS) dan Debt to Equity Ratio (DER) TerhadapHargaSahamPertambangan". S1 thesis, UniversitasMercuBuana Jakarta.