

**THE EFFECT OF FINANCIAL RATIOS ON STOCK PRICE
EMPIRICAL STUDIES ON CONSUMER GOODS
COMPANIES LISTED IN INDONESIA STOCK EXCHANGE
IN 2015-2019**

THESIS

**Be accepted in partial fulfillment of the requirements for the Degree of
Sarjana Akuntansi (S1) in International Financial Accounting Program
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AUTHENTICITY ACKNOWLEDGEMENT

I, Gita Puspa Rini hereby declare that the thesis with the following title:

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Yogyakarta, 23 June 2020

Gita Puspa Rini

MOTTO

“The function of education is to teach one to think intensively and to think critically. Intelligence plus character- that is the goal of true education.”

-Martin Luther King Jr.

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**THE EFFECT OF FINANCIAL RATIOS ON STOCK PRICE
EMPIRICAL STUDIES ON CONSUMER GOODS COMPANIES LISTED
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Abstract

Share prices are based on consumer demand and supply. The demand for shares is affected by the investor's expectations of the issuing firm. Improving the financial performance of a company will increase the expectations of investors. This makes the shares more desirable and the price of the shares higher. Conversely, if the financial performance of a company is not good, investor expectations would be low, so that investors are not interested in investing in these shares. This is what makes the stock price go down. The financial performance of the company can be achieved by analyzing the financial statements. One form of financial statement analysis is to analyze financial ratios (Widayanti and Colline, 2017).

The purpose of this study is to prove the relevance of accounting information reflected in financial ratios. The study was conducted on consumer goods companies listed on the Indonesia Stock Exchange in 2015-2019. The analytical tool used is multiple linear regression analysis.

The results of the analysis show that the Return on Equity has a positive effect on stock prices, the Quick Ratio does not affect the stock prices, the Debt to Equity Ratio does not affect the stock prices and the Total Assets Turnover does not affect the stock prices.

Kata kunci: Financial Ratios, Stock Price

CHAPTER 1

INTRODUCTION

1.1. Research Background

Investment is a term of several meanings related to finance and economics. This relates to the accumulation of assets in the hope of making a profit in the future (Anggreani, 2019). Investment can take the form of direct investment and indirect investment. Direct investment is made by purchasing direct financial assets from a company either through intermediaries or in other ways. Indirect investment is made through the acquisition of shares from the corporation (Hartono, 2014).

One of the investments made by investors is the buying company shares. Investments in share will provide two kinds of benefits, namely dividends, and capital gains. Dividends shall be the return of the company which issues shares to the shareholders of profits earned by the company. Investors can receive capital gains if there is a price difference between the selling price and the purchase price for secondary market activities (Wulandari and Sukartha, 2015).

Stock prices are price that occur on the stock market at certain times as determined by market participants. The stock price is determined by the demand and supply of the relevant stock market on the stock exchange (Hartono, 2014). Bringham and Houston (2010) state that shareholder wealth is determined by

stock prices. Maximizing shareholder wealth translates into maximizing the company's share price. The price of a stock at a certain time will depend on the cash flow expected to be received by investors in the future when investors purchase shares.

Share price changes on the Indonesian Stock Exchange are seen in the *Index Harga Saham Gabungan* (IHSG) (Hartono, 2014). The performance of the *Index Harga Saham Gabungan* (IHSG) at the end of 2018 was the worst in the last 3 years after minus 2.54 % in a year, even though in 2017 and 2016 IHSG still gave 19.99 % and 15.32 % returns. In the last 3 years, IHSG received the highest return reaching 19.99 % in 2017 when it closed at 6.355.65 and reported a return or gain of 15.32 % in 2016 when it closed at 5.296.71. However, the index decline at the end of 2018 was still better than in 2015, which was minus 12,13 % and had the worst performance 10 years ago, namely in 2008, to be corrected up to 50.64 %

(<https://www.cnbcindonesia.com>).

Share prices are based on consumer demand and supply. The demand for shares is affected by the investor's expectations of the issuing firm. Improving the financial performance of a company will increase the expectations of investors. This makes the shares more desirable and the price of the shares higher. Conversely, if the financial performance of a company is not good, investor expectations would be low, so that investors are not interested in investing in these shares. This is what makes the stock price go down. The financial performance of the company can be achieved by analyzing the financial

statements. One form of financial statement analysis is to analyze financial ratios (Widayanti and Colline, 2017).

Financial ratio analysis is the activity of comparing the numbers in a financial statement. Comparisons can be made between a single component of a financial statement or between elements that exist between the financial statements. It is then possible to compare the numbers in one or several periods (Kasmir, 2015).

Financial ratio analysis is fundamental analysis. Fundamental analysis is the analysis of data derived from corporate finance (Hartono, 2014). Fundamental Analysis is information about the company which is reported in one of the company's financial statements (Samsuar and Akramunnas, 2017). Fundamental aspects would be the basic valuation, which is the key for investors in investing their funds (Haryanto, 2014). This is because the financial performance reflected in the company's financial statements informs the company's current and past financial condition, which can be used to predict the company's condition in the future (Hartono, 2014).

Research on the effect of financial ratios on stock prices has been widely conducted by previous research. Research conducted by (Ligocka and Stavarek, 2019) found that return on equity and return on capital employed had a significant negative effect on the stock price, networking capital had a significant positive impact on the stock price, while quick ratio, current ratio, return on assets, debt-to-equity ratio and leverage do not affect the stock price. Research conducted by

Imelda (2018) shows that the current ratio and the return on equity have a significant positive effect on stock prices, while the cash ratio and the return on assets do not affect the stock price. Research conducted by Nurlia and Juwari (2018) shows that earnings per share have a significant positive effect on stock prices, the current ratio substantially negatively affects stock prices, while return on assets and return on equity do not affect stock prices.

Research conducted by Martiani (2018) shows that the current ratio, the debt-to-equity ratio, the return on equity, and the net profit margin have a significant positive effect on stock prices. Andhani (2019) shows that the debt-to-equity ratio has a negative impact on stock prices, while the net income and the debt-to-equity ratio have no impact on stock prices.

Research conducted by Rasyid (2019) shows that total asset turnover has a significant positive impact on stock prices. The results of the study (Putra, Saryadi, and Hidayat, 2013) current ratio and return on investment do not affect the stock price. Nugrana and Sudaryanto (2016) show that the dividend payout ratio and the return on assets have a positive impact on stock prices, while the debt-to-equity ratio and total asset turnover have a negative effect on stock prices. Amrah and Elwisam (2018) show that the current ratio and the debt-to-equity ratio have a negative impact on stock prices, while the total asset turnover has a positive impact on stock prices, and the return on assets does not have a significant impact on stock prices. Research conducted by Mandasari and Sugiyono (2014) shows that the return on assets and the quick ratio significantly have a positive impact on stock prices, although the debt-to-equity ratio has no

impact on stock prices. Takarini and Hendrarini (2011) obtained the results of a quick ratio analysis, which significantly negatively influences stock prices, net profit margins, return on equity, earnings per share, and debt-to-equity ratios have no impact on stock prices.

Based on the findings of the numerous studies, this research aims to re-examine the impact of the financial ratios on stock prices. Based on these contradictory research findings, the researcher would analyze the ratio of return on equity, quick ratio, debt to equity ratio, and total assets turnover. Brigham and Houston (2010) note that the return on equity (ROE) is a net equity ratio or a ratio that calculates the rate of return on shareholder investment. Irawati (2006) as cited in Martiani (2018) notes that the higher the ratio, the better because the capacity of the company to make efficient use of its equity to generate profits. The higher return on equity shows that the increased financial performance of the company in receiving income will also influence the distribution of dividends to investors to purchase shares of the company and have an effect on rising stock prices (Martiani, 2018).

Return on Equity is one of the indicators of productivity. Profitability ratios are ratios that measure the ability of a company to make a profit (Munawir, 2012). To investors, the analysis of the return on equity is relevant as the benefits that can be obtained from the investments made can be calculated in this study. For companies, this research is becoming important because it is an attractive investment factor for investors (Vireyto and Sulasmiyati, 2017).

Quick Ratio (QR) is structured to calculate how easily a corporation can fulfill short term obligations without having to liquidate or excessively dependent on its inventories. Inventory can not be fully relied on, because inventory is not an immediate source of cash and might not even be easy to sell under slow economic conditions. For this reason, inventories for quick ratio calculations are excluded from current assets (Prastowo, 2014). The higher the quick ratio indicates short-term financial performance, the better the company is considered capable of paying its obligations through cash, shares that can be exchanged, and receivables (Sanjaya, 2018). This can increase the reputation of the company, which will lead to positive reactions from investors as shown by rising stock prices (Purba, 2017).

Debt to Equity Ratio (DER) is a comparison of total liability with total equity of the company (Nugraha and Sudaryanto, 2016). A high debt to equity ratio means that the company also has a high level of debt, which also means that the company's dependency on debt-based equity financing is also high. This would lead investors to continue to avoid the company's shares, the lower the stock demand, and the lower the share price (Ratih *et al.*, 2014).

The Debt to Equity ratio is an important ratio for long-term investors to calculate risk. Long term investors rely on the benefit principle and cash flow prediction (Prastowo, 2014). A low debt to equity result will show the high level of funding that shareholders can provide for the company. Low debt to equity ratio would also provide much greater security for creditors if the company suffers significant losses or impairments in properties so that a low debt to equity ratio is

usually preferred and considered good by creditors (Horne and Wachowicz, 2012 as cited in Pongrangga *et al.*, 2015).

Total Assets Turnover Ratio (TATO) is a ratio that is used to measure the turnover of all assets owned by the company and to measure how many sales are generated by each rupiah (Kasmir, 2015). Total assets turnover shows how effective the company is in using all assets to create sales and make profits. Sales of the product would affect the amount of profit generated by the company. The greater the amount of asset turnover, the profit to be obtained by the company will be high, given that certain variables are considered constant. Increased profits created, attracting investors to invest their money in the company to control the growing share price of the company itself (Emrya and Nugraha, 2016).

The reason for selecting this ratio is that the productivity of the company in producing revenue using its assets would be shown by the estimate of the total assets turnover ratio (TATO). The sum of the total assets turnover ratio (TATO) should display assets that are turning faster in generating income sales (Pongrangga *et al.*, 2015).

This research will be performed at consumer goods companies on the Indonesian Stock Exchange in 2015-2019. The research will be performed on consumer goods companies because consumer goods sector are a group of shares that are very attractive to investors. This is because the company's main sector of the organization provide goods that are typically the everyday consumption of the population so that the fundamental (revenue) aspect is more promising. Market

participant's participation can also be seen from the consumer sector index's contribution to the movement of the Composite Stock Price Index (CSPI) with a weight of around 19.1 %. The consumer sector index rose by 53.81 points in 2017, up by 3.89 % to the level of 2.414.71. The increase in the index of the consumer goods sector exceeded the index of the agriculture, mining, property, financial industry and trade, services, and investment sectors. Investors still choose the stock of consumer goods. The reason is that improving economic growth is becoming more attractive to shareholdings in the consumer sector. This is demonstrated by the recovery in gross domestic product (GDP) growth reflected in the Bank Indonesia Market Survey.

1.2. Research Problems

Based on the previous explanation and study, this research want to find:

1. Does the return on equity affect the stock price?
2. Does a quick ratio affect the stock price?
3. Does the debt to equity ratio affect stock prices?
4. Does total asset turnover affect the stock price?

1.3. Research Objective

The purpose of this study is to prove the relevance of accounting information reflected in financial ratios.

1.4. Research Contributions

This research expected to give contribute in several aspects based on background, research problem and research objective for:

a) Companies

The results of this study can be used as consideration for improving company performance. Good company performance, which is shown from the value of financial ratios will attract investors to buy company shares so as to increase share prices.

b) Investors

The results of this study can be used by investors as consideration in making investment decisions. Investors can analyze financial ratios so that investments are profitable.

c) Academicians

The results of this study can be used as additional references for further research regarding the effect of financial ratios on stock prices.

1.5. Data Analysis

In analyzing the data for this research, the researcher conducted the following steps:

1. Gather the list of consumer goods listed companies in Indonesia Stock Exchange period 2015-2019
2. Select the companies based on sample criteria.
3. Calculating research variables, including:
 - a. Stock Price
 - b. Return on assets.
 - c. Quick ratio
 - d. Debt to equity ratio
 - e. Total assets turnover
4. Performing statistical tests include:
 - a. Descriptive Statistics.
 - b. The classic assumption test consists of normality test, multicollinearity test, heteroscedasticity test and autocorrelation test.
 - c. Hypothesis testing uses multiple linear regression analysis.
5. Analyze the results of hypothesis testing.

1.6. Writing Structure

In this chapter there will be 5 chapters consist of :

CHAPTER 1 INTRODUCTION

This chapter presents the research background of this study, research problems, research objectives,

research contributions and the writing structure of research.

CHAPTER 2 LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT

This chapter describes theoretical basis, previous research, explanation of definition, framework and hypothesis development.

CHAPTER 3 RESEARCH METHODOLOGY

This chapter aims to explain in detail the method, population and sample, sample selection, number of samples, data sources, variable with definition and type, collecting data and analysis method.

CHAPTER 4 DATA ANALYSIS AND DISCUSSION

Consist of the explanation of data analysis and result discussion. This chapter provide information whether the hypothesis meet the criteria, accepted or rejected.

CHAPTER 5 CONCLUSION

The last chapter of this study contains the findings of the research, conclusion, limitations of the research, and further research direction.

CHAPTER 2

LITERATURE REVIEW AND HYOPTHESES DEVELOPMENT

2.1. Agency Theory

The philosophy of the Organization is the principle that underlies the business strategy of the firm. The main principle of agency theory is the existence of a working relationship between the party that gives authority, namely the owner (principal) and the party that receives the authority, namely the manager (agent). As an agent, managers are morally responsible for increasing the income of owners (principals), but managers, on the other hand, do have an interest in maximizing their welfare. There is also a high risk that agents will not always behave in the best interests of the principal (Jensen and Meckling, 1976 as cited in Lisa, 2012).

The relationship between the owner / shareholder (principal) and the manager (agent) may lead to an knowledge / asymmetry imbalance because the information kept by the manager is more complete than the owner (Rahmah and Sembiring, 2014). Therefore, as a manager, the manager is obligated to provide information about the company's condition to the owner. The information provided can be done through the disclosure of accounting information such as financial statements.

2.2. Financial Statements

PSAK number 1 stated that the purpose of financial statements is to provide information regarding the financial position, performance, and changes in the financial position of a company that is beneficial for a large number of users in making economic decisions. The financial statements prepared for this reason meet the basic needs of the majority of users. However, financial statements do not include all the information that consumers may need to make economic decisions since they usually reflect the financial consequences of past events and are not expected to provide non-financial details (PSAK No. 1, 2018).

According to Financial Accounting Standards, the preparation and presentation of financial statements are based on two basic sources, namely the accrual basis and business continuity (Prastowo, 2014).

1. Accrual basis

Under this accrual basis, the effects of transactions and other activities are identified when they occur (not when cash or cash equivalents are received or paid) and are documented in the accounting reports and published in the financial statements for the period. On this basis, financial statements not only provide information in past problems concerning cash receipts and payments but also provide information about cash payment obligations and resources that embody cash that will be received in the future.

2. Business continuity

The financial statements are prepared based on the company's agreement, which means the company will continue to do business in the future. This means that the company is assumed to have no intention or desire to liquidate or materially reduce the scale of its business.

The parties who need information in the financial statements are (PSAK No. 1, 2018):

1. Investor

Risk investors and investor advisors are interested in the inherent risks and production consequences of the investments made. Investors need the information to help decide whether to buy, keep, or sell the investment. Shareholders are also interested in details that make it possible to determine the willingness of a business to pay dividends.

2. Employee

Employees are interested in company stability and productivity statistics. Employees are also interested in information that allows employees to assess the company's ability to provide remuneration, retirement compensation, and job opportunities.

3. Lender

Lenders are interested in financial information that allows lenders to decide whether loans and interest can be paid when they are due.

4. Other supplier and business creditors

Suppliers and other business investors are interested in information that allows them to determine if the amount due will be paid when it is due. The business creditor has a shorter period of interest in the company than the lender, as it relies on the existence of the company as a main customer, suppliers, and creditor

5. Customer

Customers are concerned with information about the viability of the company, especially if the customer is involved in a long-term agreement with, or is dependent on the company.

6. Government

The government and various institutions under its control have an interest in the allocation of resources and therefore have an interest in the activities of companies. The government also needs information to regulate company activities, establish tax policies, and as a basis for compiling national income statistics and other statistics.

7. Public

The company affects community members in many ways. For example, company can make a significant contribution to the national economy, including the number of workers and the security of domestic investors. Financial reports can support the community by providing information on trends and the latest developments in a company's prosperity and its range of activities.

The purpose of financial statements must present factual, accurate, objective, and informative information that is sufficient to interpret the business transactions that are useful for predicting and comparing the earning power. It should be noted that the information needed for interpretation and prediction is sometimes subjective and therefore, the assumptions used that underlie such evaluations and predictions must be disclosed (Sembiring, 2008).

2.3. A Hierarchy of Accounting Qualities

Qualitative characteristics of useful financial information consist of fundamental qualitative characteristics and enhancing qualitative characteristics (Ikatan Akuntansi Indonesia, 2019).

1. Fundamental qualitative characteristics

a. Relevance

Relevant financial information can make a difference in decisions taken by users. Information may be able to make a difference in decisions even if some users choose not to take advantage of the information or are already aware of the information from other sources. Financial information can make a difference in decisions if they have predictive value, confirmatory value, or both.

Financial information has predictive value if the information can be used as the input used by users to predict future outcomes. Financial information does not have to be a prediction or forecast to have predictive value. Financial information with predictive value is used by users to make their predictions. Financial

information has confirmatory value if it provides feedback about (confirming or changing) prior evaluations.

The predictive value and the confirmatory value of financial information have an interrelated relationship. Information that has predictive value often also has confirmatory value. For example, income information for the current year, which can be used as a basis for predicting future income, can also be compared with income forecasts for the current year made in the previous year. The results of the comparison can help the user to correct and improve the process used in making the previous prediction.

b. Materiality

Information is material if the removal, misstatement, or obscurity of the information is expected to be sufficient to influence decisions made by major users of general purpose financial statements based on the report, which provides financial information about certain reporting entities. In other words, materiality is an aspect of relevance that is specific to a particular entity based on nature or magnitude, or both, of the posts in which the information relates in the context of each entity's financial statements.

c. Faithful Representation

Financial statements represent economic phenomena in words and numbers. To be useful information, in addition to representing relevant phenomena, financial information must also represent precisely the substance of the phenomenon to be represented. In many ways, the substance of the economic

phenomenon and its legal form is the same. If they are not the same, providing information only about the legal form will not accurately represent the economic phenomenon. To show the perfect representation perfectly, it is necessary to have three characteristics: complete, neutral, and error-free.

A complete description includes all the information needed by the user to understand the phenomenon described, including all the descriptions and explanations needed. For example, a complete depiction of a group of assets includes at least a description of the nature of the assets in the group, a numerical depiction of all assets in the group, and a description of what is represented in the numerical depiction (for example, historical costs or fair value). For some posts, a complete description may also require an explanation of significant facts about the quality and nature of the posts, factors, and circumstances that might affect the quality and nature of the posts, and the process used to determine numerical depictions.

A neutral representation is without bias in the selection or presentation of financial information. The neutral translation is not directed, weighted, emphasized, canceled, or in other words manipulated to increase the likelihood that financial information will be better or not received by users. Neutral information does not mean information without purpose or influence on behavior. In contrast, relevant financial information is, by definition, capable of being a differentiator in user decisions.

Free from error means that there are no errors or omissions in describing the phenomenon, and the process used to produce the information reported has been selected and applied without any error in the process. In this case, free from error does not mean perfectly accurate in all respects. For example, price estimates or values that cannot be observed cannot be said to be accurate or inaccurate. However, the representation of the estimation can be precise if the amount is clearly and accurately described as an estimate, the nature and limitations of the estimation process are explained, and no mistakes are made in the selection and application of the appropriate process in making estimates.

d. Fundamental application of fundamental qualitative characteristics

The most efficient and effective process for applying fundamental qualitative characteristics is usually as follows (provided the impact of enhancing characteristics and cost constraints is not considered in this example). First, identifying economic phenomena, where information on these phenomena can be useful for users of financial information of the reporting entity. Second, identify the type of information about the phenomenon that is most relevant. Third, determine whether the information is available and whether the information can provide an appropriate representation of economic phenomena. If so, then the process of fulfilling fundamental qualitative characteristics ends at that point. If not, then the process is repeated using the next most relevant type of information.

2. Enhancing qualitative characteristics

Comparability, verifiability, timeliness, and understandability are qualitative characteristics that increase the usefulness of relevant information and provide an exact representation of what is intended to be represented. Enhancing qualitative characteristics can also help in deciding which of the two ways should be used to describe a phenomenon if both are considered to provide the same relevant information and the exact representation of the phenomenon.

a. Comparability

Comparability is a qualitative characteristic that allows users to identify and understand deep equations, and differences between, items. In contrast to other qualitative characteristics, comparability is not related to one post. A comparison requires at least two posts.

b. Verifiability

Verifiability helps convince users that information represents the economic phenomenon as appropriate. Verifiability means that various independent observations with different knowledge can reach a consensus, although not always reach an agreement, that a certain representation is an appropriate representation. Quantification information does not have to be a separate estimation point to be verified. Various possible amounts and related probabilities can also be verified.

c. Timeliness

Timeliness means that the availability of information to decision-makers at the right time can influence their decisions. In general, the older the information, the less useful the information. However, some information can continue on time even in the long term after the end of the reporting period, for example, some users need to identify and assess trends.

d. Understandability

Classifying, characterizing, and presenting information clearly and concisely can make the information understood. Some phenomena are inherently complicated and not easy to understand. Excluding information about the phenomenon from the financial statements might make the information on the financial statements easier to understand. However, the report will be incomplete, potentially misleading. Financial statements are prepared for users who have adequate knowledge of business and economic activities and users who review and analyze information diligently. Sometimes even well-informed and diligent users also need to seek help from an advisor to understand information about complex economic phenomena.

e. Application of enhancing qualitative characteristics.

The qualitative characteristics of the enhancer must be maximized as well as possible. However, the qualitative characteristics of enhancers, either individually or in groups, cannot make information useful if the information is irrelevant or does not provide an exact representation of what is intended to be represented.

The application of enhancing qualitative characteristics is an iterative process that does not follow a specific sequence. Sometimes, one enhancing qualitative characteristic may be subtracted to maximize the other qualitative characteristics. For example, temporary reductions in comparability as a result of prospective adoption of new standards may be useful for increasing relevance or precise representation in the long run. Partially appropriate disclosures can compensate for incomparability.

2.4. Financial Ratio Analysis

The ratio is the most widely used financial statement analysis technique. This ratio is an analytical tool that can provide a way out and describe the symptoms that appear in a situation. If interpreted correctly, the ratio can also indicate areas that require deeper research and treatment. Ratio analysis can reveal relationships as well as being a basis for comparison that shows conditions or trends that cannot be detected if only looking at the components of the ratio itself (Prastowo, 2015).

Ratio analysis is very useful for management for planning and evaluating company performance. For creditors, the analysis of financial ratios can be used to estimate the potential risks faced associated with the existence of guaranteed continuity of interest payments and principal repayments. Financial ratio analysis is also useful for investors in evaluating the value of shares and the existence of guarantees for the safety of funds to be invested in a company. As a consequence,

financial ratio analysis may be implemented or used in each research model, both models used by management for short-term and long-term decision-making, maximizing the efficiency and effectiveness of operations, and for assessing and enhancing results. The model used by bankers to make member decisions or deny credit or the model used by investors to make investment decisions in securities (Munawir, 2008). The following are the financial ratio used by management, creditor, and investors.

1. Profitability Ratio

Profitability ratios are ratios that calculate the overall management performance demonstrated by the size of the income generated to revenue and expenditure. Profitability ratios are based on the figures in the income statement, such that the testing of the use or usage of assets includes the numbers in the balance sheet and the income statement (Munawir, 2008).

Return on equity is one of the measures used to calculate profitability. Return on equity tests the capacity of the company to produce net equity profits. This ratio is very important for shareholders as it determines the rate of return on the shares of the company they own (Sukamulja, 2019). Return on equity is a profitability ratio that illustrates the company's ability to benefit ordinary shareholders (capital owners) by showing the percentage of net income available for shareholder capital used by the company. Return on equity is a comparison between the net income of the issuer and its investments (Harahap, 2007 as cited in Aisah and Mandala, 2016). High ROE represents the fact that the company has

managed to make money from its capital. Increased ROE would also raise the market value of companies that have an impact on stock prices. If ROE is low, it represents the low net profit of the company. It results in shares in businesses that are less attractive to investors (Aisah and Mandala, 2016). The method for estimating the return on equity is as follows (Munawir, 2008):

$$\text{Return on Equity} = \frac{\text{Net Income}}{\text{Total Equity}}$$

2. Liquidity Ratio

Short-term creditors pay more attention to the company's prospects in paying short-term obligations. These creditors are more interested in cash flow and the management of working capital than the accounting profit published by the company. Therefore, short-term investors are more interested in corporate liquidity (Prastowo, 2015).

Liquidity is related to the company's ability to meet short-term obligations with current assets. One of the ratios used to measure company liquidity is the acid-test ratio or quick ratio. In this ratio, inventory and excretion items are excluded from total current assets, leaving only liquid current assets items which will be divided by current liabilities. Quick Ratio is determined using the following formula (Prastowo, 2015):

$$\text{Quick Ratio} = \frac{\text{Current Asstes} - \text{Inventory} - \text{Prepayments}}{\text{Current Liability}}$$

Acid-test ratio or quick ratio is designed to measure how well a company can fulfill its obligations without having to liquidate or overly depend on its supply. Inventories cannot be fully relied on, because supplies are not a source of cash that can be obtained immediately or may not even be easy to sell in sluggish economic conditions (Prastowo, 2015).

Brigham and Houston (2019) also stated that inventory is usually the least liquid compared to other current assets in the company and that if sales are slow, inventory cannot be converted into cash as quickly as expected. Inventories are assets most likely to incur losses in the event of a liquidation. Therefore, a quick ratio measuring the company's ability to pay off short-term liabilities without relying on inventory sales is important.

3. Solvency Ratio

The position of long-term creditors is different from that of short-term creditors. Long-term creditors are very concerned about both the company's ability to meet short-term needs, namely its ability to pay interest and its long-term ability to pay the loan principal. Long-term investors pay more attention to the solvency of the company (Prastowo, 2015).

Long-term creditors will usually face greater risk than short-term creditors. Therefore, companies are usually asked to make a limitation agreement for the protection of long-term creators, such as an arrangement on the minimum amount of working capital and dividend payments. Long-term creditors usually do not want to settle their debts through the shipping process. Creditors prefer to risk the

safety of interest and principal collection on the flow of funds from regular and consistent operations (Prastowo, 2015).

One ratio that determines the solvency of a business is the debt-to-equity ratio (DER). The debt-to-equity ratio indicates the balance of proportions between the assets financed by the investors and those financed by the shareholders of the company. The formula for estimating the debt-to-equity ratio is as follows (Prastowo, 2015):

$$\text{Debt to Equity Ratio} = \frac{\text{Total Liability}}{\text{Total Equity}}$$

The debt-to-capital ratio also provides a summary of the capital structure offered by the company. Creditors prefer a low debt-to-equity ratio. The lower the ratio means the greater the number of assets funded by the owner of the company and the lower the risk creditors (Prastowo, 2015).

4. Activity Ratio

In principle, every asset owned by the company is expected to be able to support the acquisition of income through the use of these assets. To measure the efficiency and effectiveness of the use of assets to obtain income can use the asset rotation ratio. One ratio that can measure the efficiency and effectiveness of asset utilization is total assets turnover.

Total assets turnover measures the activity of assets and the company's ability to generate sales through the use of these assets. This ratio also measures

how efficiently these assets have been used to earn income. The total asset turnover ratio of the assets is estimated as follows:

$$\text{Total Asset Turnover} = \frac{\text{Net Sales}}{\text{Average Total Assets}}$$

2.5 Stock Price

Stock prices are values that exist on the stock market at certain times as decided by market participants. The stock price is dictated by the demand and supply of the related stock market on the stock exchange (Hartono, 2014). Darmadji and Fakhruddin (2006) stated that the stock price is the price per share prevailing in the capital market. Stock prices in the capital market consist of three categories, namely the highest price, lowest price, and closing price. The highest or lowest price is the highest or lowest price that occurs on an exchange day. The closing price is the price that occurred last at the end of the exchange hour. Based on the three categories, it can be shown that changes in stock prices that occur, such as each investor may have different opinions, are very often incorrect in making investment decisions. The effect is that investors are always in a rush to sell their shares without first determining whether or not the shares have good prospects.

Stock prices are largely determined by demand and supply, but the correct estimation of stock prices includes business operational data such as audited financial statements, the potential performance of the company and economic conditions. In general, there are two approaches to stock valuation, namely the

fundamental approach and the technical approach. The first focuses on the intrinsic value of the potential capabilities of the company as seen from the state of assets, development, marketing, and sales, all of which reflect the company's prospects. Although the technical approach focuses on the price chart of stocks, it is often called chartists that are predicting for the future based on stock movements in the past and the analysis is short-term (Subiyantoro and Andreani, 2003).

2.6. Stock Return

Return is the result obtained from an investment. Returns can be either realized returns that have already occurred or expected expectations that have not yet occurred but are expected to occur in the future. Realized return is a return that has occurred. Returns are realized using historical data. Realized returns are important because they are used as a measure of the company's performance. Realized return or historical return is also useful as a basis for determining future expectations and risks (Hartono, 2014).

The expected return is the return that is expected to be obtained by investors in the future. In contrast to the realization of returns that have already taken place, expectation returns have not occurred (Hartono, 2014).

2.7. Reaction to Accounting Information

Investors are recipients of prices which means that as market participants, investors alone cannot influence the price of a security. The price of a security is determined by many investors who determine the demand and supply. Things like this can happen if market participants consist of a large number of institutions and rational individuals who can interpret and interpret information properly to be used to analyze, assess and carry out the sale or purchase transaction of the relevant securities (Jogyanto, 2014).

Testing the information content is intended to see the reaction of an announcement. If the announcement contains information, it is expected that the market will react when the announcement is received by the market. Market reaction is indicated by changes in prices of the securities concerned. This reaction can be measured by using return as the value of price changes or by using abnormal return. If an abnormal return is used, it can be said that an announcement that has information content will provide an abnormal returns to the market. Conversely, that does not contain information does not provide abnormal returns to the market as shown in Figure 2.1 below (Jogyanto, 2014).

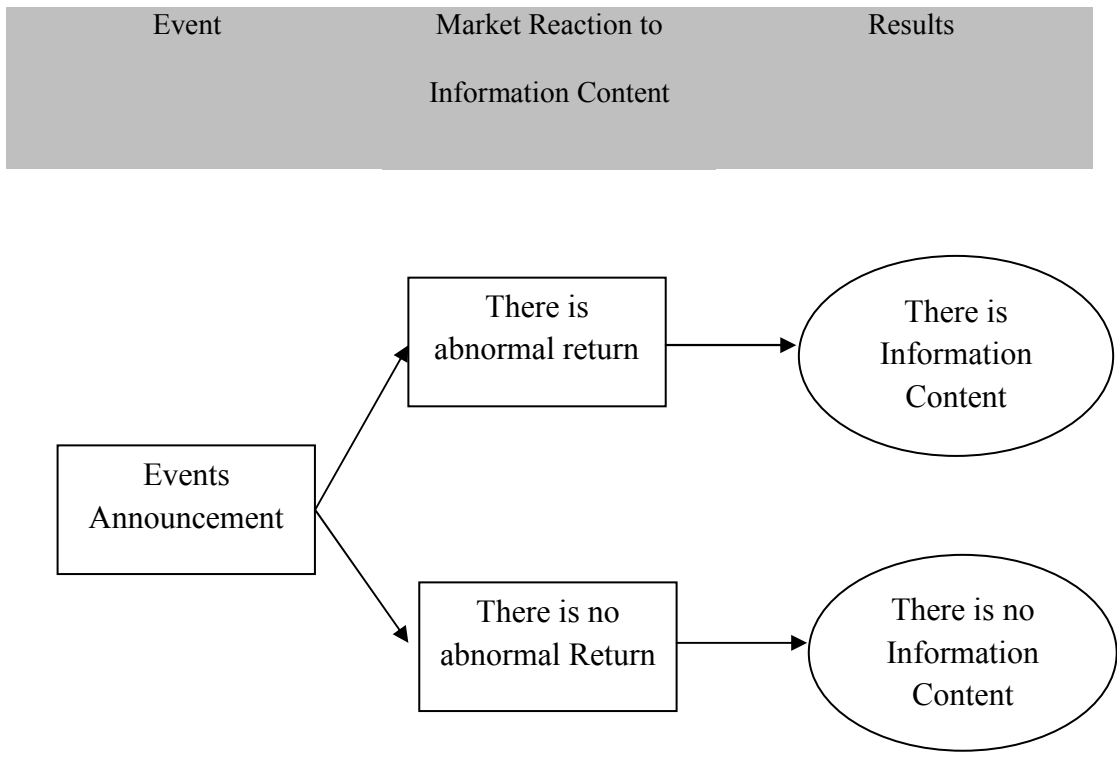


Figure 2.1

Information Content in an Announcement

(Source: Jogyanto, 2014)

2.8. Previous Research

The summary of the previous studies can be seen in the table 2.1 below:

Table 2.1
Previous Research

Title	Author	Variables	Result
The Relationship Between financial Ratio and the stock price of selected European food companies listed on stock exchange	Ligocka and Stavarek (2019)	Independent Variable: Acid Ratio Current Ratio Net working capital Return on Asset Return on Equity Return on Capital Employed Debt to equity ratio Leverage Dependent Variable: Stock Price	Significant Relationship: Return on Equity significantly gives negative effect on stock price Return on Capital Employed significantly gives negative effect on stock price Net Working Capital significantly gives positive effect on stock price Non-significant Relationship: Acid Ratio Current Ratio Return on Asset Debt to Equity Ratio Leverage

Title	Author	Variables	Result
<i>Analisis Rasio Keuangan dan Pengaruhnya Terhadap Harga Saham</i>	Mandasari and Sugiyono (2014)	Independent variable: Quick Ratio Debt to Equity Ratio Return on Asset Dependent variable: Share Price	Significant relationship: Return on Asset significantly gives positive effect on stock price Quick Ratio significantly gives positive effect on stock price Non-significant relationship: Debt to Equity Ratio

Title	Author	Variables	Result
<i>Pengaruh Rasio Keuangan Terhadap Harga Saham pada Perusahaan Manufaktur Sektor Industri Barang Konsumsi</i>	Martiani (2018)	Independent Variable: Current Ratio Debt to Equity Return on Equity Net Profit Margin Dependent Variable: Share Price	Significant Relationship: Current Ratio significantly gives positive effect on stock price Debt to Equity Ratio significantly gives positive effect on stock price Return on Equity significantly gives positive effect on stock price Net Profit Margin significantly gives positive effect on stock price Non-significant Relationship: -

Title	Author	Variables	Result
<i>Rasio Keuangan dan Pengaruhnya Terhadap Harga Saham</i>	Takarini and Hendrarini (2011)	Independent Variable: Net Profit Margin Quick Ratio Return on Equity Earning per Share Debt to Equity Ratio Dependent Variable: Share Price	Significant Relationship: Quick Ratio significantly gives negative effect on stock price Non-significant Relationship: Net Profit Margin Return on Equity Earning per Share Debt to Equity Ratio
<i>Pengaruh Debt to Asset Ratio (DAR) dan Debt to Equity Ratio (DER) terhadap Net Profit Margin (NPM) Serta dampaknya terhadap Hargasaham pada perusahaan Elektronik</i>	Andhani (2019)	Independent Variable: Debt to Asset Ratio Debt to Equity Ratio Net Profit Margin Dependent Variable: Stock Price	Significant Relationship: Debt to Equity Ratio significantly gives negative effect on stock price Non-Significant Relationship: Net Profit Margin Debt to Asset Ratio

Title	Author	Variables	Result
<i>Pengaruh Current Ratio, Cash Ratio, Return on Equity dan Return on Asset terhadap Harga Saham pada Perusahaan Property dan Real Estate di Bursa Efek Indonesia</i>	Imelda (2018)	Independent Variable: Current Ratio Cash Ratio Return on Equity Return on Asset Dependent Variable: Share Price	Significant Relationship: Current Ratio significantly gives positive effect on stock price Return on Equity significantly gives positive effect on stock price Non-Significant Relationship: Cash Ratio Return on Asset
<i>Pengaruh Return on Asset, Return on Equity, Earning per Share dan Current Ratio terhadap Harga Saham pada Perusahaan Sub Sektor Otomotif dan Komponen Yang terdaftar di Bursa Efek Indonesia</i>	Nurlia and Juwari (2018)	Independent Variable: Return on Asset Return on Equity Earning Per Share Current Ratio Dependent Variable: Stock Price	Significant Relationship: Earning Per Share significantly gives positive effect on stock price Current Ratio significantly gives negative effect on stock price Non-Significant Relationship: Return on Asset Return on Equity

Title	Author	Variables	Result
<i>Faktor-Faktor yang Mempengaruhi Harga Saham Pada Perusahaan Manufaktur di Bursa Efek Indonesia</i>	Rasyid (2019)	Independent Variable: Current Ratio Debt to Equity Ratio Total Asset Turnover Earning per Share Dependent Variable: Stock Price	Significant Relationship: Total Asset Turnover gives positive effect on stock price Non-Significant Relationship: Current Ratio Debt to Equity Ratio Earning per Share
<i>Pengaruh Current Ratio, Return on Assets, Debt to Equity Ratio dan Total Assets Turnover terhadap harga saham pada perusahaan LQ 45</i>	Amrah and Elwisam (2018)	Independent Variable: Current Ratio Return on Assets Debt to Equity Ratio Total Assets Turnover Dependent Variable: Stock Price	Significant Relationship: Current ratio significantly gives negative effect on stock price Debt to Equity Ratio gives negative effect on stock price Total Asset Turnover gives positive effect on stock price Non-Significant Relationship: Return on Asset

Title	Author	Variables	Result
<p><i>Analisis pengaruh Debt to Payout Ratio, Debt to Equity Ratio, Return on Equity, dan Total Asset Turnover terhadap harga saham (Studi Kasus pada perusahaan Industri Dasar dan Kimia yang terdaftar di Bursa Efek Indonesia)</i></p>	<p>Nugrana and Sudaryanto (2016)</p>	<p>Independent Variable: Dividend Payout Ratio Debt to Equity Ratio Return on Equity Total Assets Turnover</p> <p>Dependent Variable: Stock Price</p>	<p>Significant Relationship: Dividend Payout Ratio significantly gives positive effect on stock price Debt to Equity Ratio gives negative effect on stock price Return on Asset gives positive effect on stock price Total Assets Turnover gives negative effect on stock price</p> <p>Non-Significant Relationship: -</p>

Title	Author	Variables	Result
<i>Pengaruh Kinerja Keuangan terhadap harga saham pada perusahaan BUMN (Non-Bank) yang terdaftar di Bursa Efek Indonesia</i>	Putra, Saryadi and Hidayat (2013)	Independent Variable: Current Ratio Return on Investment Return on Equity Total Asset Turnover Dependent Variable: Stock Price	Significant Relationship: Return on Equity gives positive effect on stock price Total Assets Turnover gives positive effect on stock price Non-Significant Relationship: Current Ratio Return on Investment

2.9. Hypothesis Development

1. The effect on Return on Equity on Stock Prices

Return on equity is the formula used to calculate net income after tax with own equity. This ratio shows the efficiency of the use of their resources. The higher the number, the better. This means that the role of the owner of the business is becoming stronger, and vice versa (Kasmir, 2015).

Companies with a high return on equity suggest that the company is capable of producing high income from its investments. This will further increase the company's appeal to investors. Increasing the value of the product makes the company more appealing to investors, as the rate of return would be even higher. This will also affect that the share price of the company in the stock market will

also rise so that the return on equity will lead to volatility in the company's share price (Surgawati *et al.*, 2019).

Research conducted by Suparlan (2016) shows that equity returns have a positive effect on stock prices. Martiani (2018) also shows that the return on equity has a positive effect on stock price. Research by Imelda (2018) shows that the return on equity has a positive effect on the stock prices and research based on Putra, Saryadi, and Hidayat (2013) also shows that return on equity has a positive effect on stock prices. Based on the explanation and the result of the previous studies, this research will have a hypothesis as follows:

H₁: Return on equity has a positive effect on stock price

2. The effect of Quick Ratio on Stock Price

Quick Ratio is often referred to as the *acid test ratio* and is often used to calculate the willingness of a company to fulfill its short-term obligations. Quick ratio calculation by subtracting current assets from inventory. This is because inventory is a low-liquid part of current assets. A quick ratio is a ratio that indicates the capacity of the most available current assets to cover existing debt (Zunaini and Brahmayanti, 2016).

The Quick Ratio is used to measure the company's ability to cover short-term obligations with assets that are more liquid or more quickly liquidated. The higher the quick ratio, the greater the state of the company (liquid) that the short-term obligations of the company can be properly fulfilled. With high liquidity,

investors will be drawn and share prices will rise (Fakhruddin and Hadianto, 2001).

Research conducted by Mandasari and Sugiyono (2014) shows that the Quick ratio significantly has a positive impact on the stock price. Based on the explanation and the result of the previous studies, this research will have a hypothesis as follows:

H₂: Quick ratio has a positive effect on stock price

3. The effect of Debt to Equity Ratio on Stock Ratio

The debt-to-equity ratio (DER) represents the comparison between total liability with total equity used as a source of business funding. In addition to being used to see the financial structure of the business, the debt-to-equity ratio (DER) can also be used to see the degree of solvency (use of debt) of the shareholder's total equity. A high debt to equity ratio (DER) suggests that risk capital is more funded by debt than by the use of equity capital (Sinaga, 2012).

For creditors, the higher the debt to equity ratio (DER) the higher the risk incurred by the loss that may arise in the company (Kasmir, 2015). The higher the debt to equity ratio (DER), mean's that the higher the debt that must be paid by the company. It also does not encourage buyers to buy company shares to lower the company's stock prices (Samsuar and Akramunnas, 2017).

Research by Valianti and Damayanti (2016) shows that the debt-to-equity ratio has a negative effect on stock prices. Andhani's (2019) also indicates that the

debt-to-equity ratio has a negative effect on stock prices. Amrah and Elwisam (2018) also show that the debt-to-equity ratio has a negative effect on stock prices. Based on the explanation and the result of the previous studies, this research will have a hypothesis as follows:

H₃: Debt to equity has a negative effect on stock prices.

4. The effect of Total Assets Turnover on Stock Price

The total asset turnover ratio (TATO) is used to show the efficiency of the company's management in using its assets to produce sales or income. The value of the results of the measurement of this ratio would be higher, as the results of these equations indicate that assets held by the corporation will spin faster and make profits quicker. The sum of total asset turnover (TATO) results would also show the company's level of productivity in the use of sales-generating assets (Sutrisno, 2007).

The higher the value of the overall asset turnover, the more effective and productive the business uses the assets to produce revenue. Investors would eventually like the company as investors expect the company to be able to control its assets. These factors would draw investors to invest in companies that will ultimately raise the company's stock price (Nugraha and Sudaryanto, 2016).

Research conduct by Amrah and Elwisam (2018) shows that total asset turnover has a positive effect on stock prices. Putra, Saryadi, and Hidayat (2013) also shows that total asset turnover has a positive impact on stock prices. Based

on the explanation and the result of the previous studies, this research will have a hypothesis as follows:

H₄: Total asset turnover has a positive effect on stock price.

CHAPTER 3

RESEARCH METHOD

3.1. Type of Research

This research is categorized as an empirical research, in which hypotheses are tested in order to find empirical evidences regarding to the effect of financial ratio on stock price.

3.2. Population and Samples

3.2.1. Population

The conclusions that had been studied by the researcher are the population that is a generalization area consists of objects or subjects that have certain qualities and characteristics (Sugiyono, 2009). The population in this study are companies listed on the Indonesia Stock Exchange in 2015-2019.

3.2.2. Samples

The sample is part of the number and characteristics possessed by the population (Sugiyono, 2009). The sampling technique used in this study is non-probability sampling, namely purposive sampling. In these types of samples, sample members are determined by certain considerations or characteristics that are considered to have a close relationship with population characteristics (Sugiyono, 2009). The sample criteria in this study are:

1. Consumer goods companies listed on the Indonesia Stock Exchange in 2015-2019.

2. The company included in consumer good's financial statements.
3. Available information on the date of publication of financial statements.
4. The company provides stock price data 4 day before the publication date of the 2015-2019 financial statements, at the time of publication of the 2015-2019 financial statements and 3 day after the publication date of the 2015-2019 financial statements.

As a result, some samples are selected from the companies. The sample selection for the companies are as follow:

Table 3.1
Sample Selection Process

Information	Year				
	2015	2016	2017	2018	2019
Consumer goods companies listed on Indonesia Stock Exchange	38	38	46	51	56
The company does not provide financial reports	(1)	(0)	(0)	(4)	(23)
No information available on the date of publication of financial statements	(0)	(0)	(2)	(2)	(0)
The company does not provide data stock price 4 days before the publication date of financial statements, at the time of publication of the financial statements and 3 day after the publication date of the financial statements	(0)	(0)	(1)	(1)	(0)
Number of research samples	37	38	43	44	33
Total of observation data	195				

One of the criteria for this research sample is the company provides the company's financial statements. This is because if there are no financial statements then it cannot obtain research data. In 2015, there are 1 company financial statement was not obtained the companies are PT Davomas Abadi Tbk. In 2017, there is 2 company that does not provide data on the publication date of financial statements, namely PT Sekar Bumi Tbk and PT Taisho Pharmaceutical Indonesia Tbk and there is 1 company that does not provide stock price data 4 days before the publication date of financial statements, at the time of publication of the financial statements and 3 days after the publication of the date of the financial statements, namely PT Buyung Poetra Sembada Tbk. In 2018, there are 4 company financial reports were not obtained, The companies are PT Tiga Pilar Sejahtera Food Tbk, PT Prasadha Aneka Niaga Tbk, PT Siantar TOP Tbk, and Merck Sharp Dohme Pharma Tbk. And also in 2018, 2 companies did not provide data on the date of publication of financial statements, namely PT Sekar Bumi Tbk and PT Taisho Pharmaceutical Indonesia Tbk. And the last one, 1 company not does not provide data stock price 4 days before the publication date of financial statements, at the time of publication of the financial statements and 3 days after the publication date of the financial statements namely PT Buyung Poetra Sembada Tbk. In 2019, there are 23 company financial reports were not obtained. The companies are PT Akasha Wira International Tbk, PT Tri Banyan Tirta Tbk, PT Bumi Teknokultura Unggul Tbk, PT Campina Ice Cream Industry Tbk, PT Wahana Interfood Nusantara Tbk, PT Sentra Food Indonesia Tbk, PT Garudafood Putra Putri Jaya Tbk, PT Inti Agri Resources Tbk, PT Mulia Boga

Raya Tbk, PT Magna Investama Mandiri Tbk, PT Prima Cakrawala Abadi Tbk, PT Prasadha Aneka Niaga Tbk, PT Sekar Bumi Tbk, PT Siantar Top Tbk, PT Ultra Jaya Milk Tbk, PT Indonesian Tobacco Tbk, PT Bentoel International Investama Tbk, PT Wismilak Inti Makmur Tbk, PT Indofarma Tbk, PT Cottonindo Ariesta Tbk, PT Mustika Ratu Tbk, PT Integra Indocabinet Tbk, and PT Hartadinata Abadi Tbk.

3.3. Type and Data Collection Method

The data used in this analysis are secondary data that are released or used by non-management organizations (Sugiyono, 2009). Primary data in this analysis are stock price, net income, total equity, current assets, inventories, current liabilities, total liabilities, and revenues.

Data collection techniques used in this study are documentation, namely data collection techniques by finding data about things or variables in the form of notes, transcripts, books, newspapers, inscription magazines, minutes, agendas, and so on (Arikunto, 2006). Share price data is obtained from the Indonesia Stock Exchange website, www.duniainvest.com. Data on net income, total equity, current assets, inventory, current liabilities, total liabilities, and revenue are obtained from the company's financial statements. The company's financial reports are obtained from the Indonesia Stock Exchange website and the company's website.

3.4. Measurement of Variables

This research consists of dependent and independent variables. The dependent variable of this study is stock price. The Independent variable in this research is return on equity, quick ratio, debt-to-equity ratio, and total assets turnover.

3.4.1. Dependent Variable

Dependent variable used in this research is stock price. The stock price in this study uses abnormal returns. Abnormal return or excess return is the excess of returns that actually occur against normal returns. (Hartono, 2014). The window period used is 7 days namely, 3 day after the date of publication of the financial statements and window period 3 day before the publication of financial statements to predict information leakage, namely whether the market had received the details before the announcement of the results. Researchers tested the demand for anticipation 3 day after the date of publication of the financial statements did not respond at the time of publication of the financial statements.

Hartono (2014) The duration of the window depends on the type of event. If the event is an event whose economic value can be easily determined by investors for example earnings announcements, the window period can be short, caused by investors who can react quickly. For earnings announcements, the window period used is generally 3 days (the day around the announcement date). Abnormal returns are calculated

using the market-adjusted return model. Abnormal return can be calculated with the following formula:

- a. Calculate daily stock returns (*realized returns*) of each stock during the observation period, which is for 7 days with the equation (Mirdah and Solikhin, 2010). To calculate realized return ($R_{i,t}$), the following formula can be used:

$$R_{it} = \frac{P_t - P_{t-1}}{P_{t-1}}$$

Information:

R_{it} = Daily stock return on the day $-t$

P_t = Daily share price on the day $-t$

P_{t-1} = Daily share price on the 1st day

- b. Calculate market index returns. The market index return used is the *Index Harga Saham Gabugangan* (IHSG). Generally, according to (Midfah and Solikhin, 2010) the formula to compute the expected return is:

Formula:

$$E(R_{it}) = \frac{IHSG_{i-t} - IHSG_{i,t-1}}{IHSG_{i,t-1}}$$

Information:

ER_{it} = Expected return of i on day t

$IHSG_t$ = Indeks Harga Saham Gabungan or Indonesia Composite Index on day t

$IHSG_{t-1}$ = Indeks Harga Saham Gabungan or Indonesia Composite Index on day $t-1$

- c. The last step is to determine the abnormal return during the observation period (Mirdah and Solikhin, 2010), to calculate the cumulative abnormal return, the formula can be written as follow:

$$AR_{i,t} = R_{i,t} - E(R_{i,t})$$

Information:

$AR_{i,t}$ = Abnormal return of i^{th} securities in day $-t$

$R_{i,t}$ = realized return that occurs for the i^{th} on day $-t$

$E(R_{i,t})$ = expected return of i^{th} security in day $-t$

3.4.2. Independent Variable

The independent variable in this research is return on equity, quick ratio, debt-to-equity ratio, and total asset turnover.

1) Return on equity (ROE)

Return on equity (ROE) is the ratio of net to equity or a ratio that measures the rate of return on shareholder investments (Brigham and Houston, 2010). The return on assets formula is as follows:

$$ROE = \frac{Net\ Income}{Equity}$$

2) Quick ratio (QR)

This quick ratio (QR) ratio is also called the acid test ratio which is also used to measure a company's ability to meet its short-term obligations (Zunaini and Brahmayanti, 2016). The quick ratio calculation formula is as follows:

$$Quick\ Ratio = \frac{Current\ Asset - Inventory}{Current\ Liabilities}$$

3) Debt to equity ratio (DER)

The debt to equity ratio (DER) besides used to see the company's capital structure can also be used to see the level of solvency (use of debt) to total shareholder's equity (Sinaga, 2012). The debt to equity ratio calculation formula is as follows:

$$DER = \frac{Total\ Liabilities}{Total\ Equity}$$

4) Total assets turn over (TATO)

The total asset turnover ratio (TATO) is used to show the effectiveness of the company's management in using its assets to

generate revenue or profits (Sutrisno, 2007). The formula for calculating total assets turn over is as follows:

$$TATO = \frac{Revenue}{Total Assets}$$

3.5. Data Analysis Method

3.5.1. Descriptive Statistics Analysis

Descriptive analysis is the exposure and data description of all observations in this study. The descriptive analysis contains the analysis of the maximum, minimum, mean, and standard deviation values (Ghozali, 2013).

3.5.2. Classic Assumption Test

Analysis of the data used in this study is descriptive statistics, classic assumption tests, and multiple linear regression.

1. Normality Test

The normality test aims to find out whether the disturbance or residual variable has a normal distribution in the regression model (Ghozali, 2013). To prove whether or not the data in this analysis are usually distributed, using the *One-Sample Kolmogorov Smirnov-Z* method. The data are assumed to be normally distributed if the probability value (p) of the *One-Sample Kolmogorov Smirnov-Z* test is 0.05, and vice versa if the *One-Sample Kolmogorov Smirnov-Z* test is < 0.05 then the data is not normally distributed (Ghozali 2013).

2. Multicollinearity Test

The multicollinearity test was used to determine whether the regression model found a correlation between the independent variables. There should be no association between independent variables in a successful regression model. If the independent variables are associated, the variables are not orthogonal. Orthogonal variables are independent variables whose value of association between independent variables is equal to zero. Detecting multicollinearity by looking at the magnitude of resistance and the magnitude of the inflation factor of variance. Regression models are said to have no multicollinearity if the *tolerance* value is > 0.1 and the VIF (Variance Inflation Factor) value is < 10 and (Ghozali, 2013)

3. Heteroscedasticity Test

For this analysis, the heteroscedasticity test is used to assess if the regression model exists for variance inequalities from one observation to another. When the variance is constant from one residual result to another, it is called homoscedasticity. A strong regression model is either homoscedasticity or heteroscedasticity does not occur (Ghozali, 2009). The heteroscedasticity test used the *Glejser test* in this analysis. The *Glejser test* aims to reduce the absolute value of the residual to the dependent variable. If the independent variable is statistically significant and affects the dependent variable, there is an indicator of heteroscedasticity. Conversely, if the independent variable does not substantially affect the absolute value of

the residual dependent variable, there is no evidence of heteroscedasticity (Ghozali, 2013).

4. Autocorrelation Test

The object of the autocorrelation test is to check if there is a correlation between the disturbance error in the t -cycle and the error in the $t-1$ time (before) in the linear regression model. If there is a connection, the question is called autocorrelation. Autocorrelation occurs when consecutive results are linked to each other all the time. This question occurs because the residues are not free from one observation to another. It is also seen in data from time series. Autocorrelation problems are fairly uncommon in data cross-sectional (time-crossing) situations. A successful regression model is a regression model free from autocorrelation. Testing autocorrelation in this analysis is based on the Watson Durbin Test (*DW Test*) (Ghozali, 2013). The basis for decision making by using the Durbin-Watson test can be written as follows:

Ho: There is no autocorrelation

Ha: There is an autocorrelation

Decision making for the presence or absence of autocorrelation is as follows (Ghozali, 2013):

Table 3.2
Autocorrelation Test Criteria

Null hypothesis	Decision	IF
No positive autocorrelation	Rejected	$0 < d < dl$
No positive autocorrelation	<i>No decision</i>	$dl \leq d \leq du$
There is no negative correlation	Rejected	$4-dl < d < 4$
There is no negative correlation	<i>No decision</i>	$4-du \leq d \leq 4-dl$
There is no autocorrelation, positive or negative	not rejected	$du < d < 4-du$

Source: Ghozali (2013)

3.5.3. Hypothesis Testing

Testing the hypothesis in this study using multiple linear regression analysis. The equations used in this study are:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where:

Y = Stock price

a = a constant

β_1 = regression coefficient Return on equity

X_1 = Return on Equity

β_2 = regression coefficient quick ratio

X_2 = Quick Ratio

β_3 = regression coefficient debt to equity ratio

X_3 = Debt to Equity Ratio

β_4 = regression coefficient total asset turnover

X_4 = Total Asset Turnover

e = Standard error

a. t-test

The t-test was used to test the effect of the independent variables on the dependent variable partially (Ghozali, 2013). The steps of t-test testing are as follows:

1) Determine the Hypothesis

H_1 : Return on equity has a positive effect on stock prices.

H_2 : Quick ratio has a positive effect on stock prices.

H_3 : Debt to equity has a negative effect on stock prices.

H_4 : Total asset turnover has a positive effect on stock prices.

2) Acceptance of the hypothesis is done with the following criteria:

H_1 : is accepted if the probability value (α) < 0.05 and $\beta_1 > 0$.

H_2 : is accepted if the probability value (α) < 0.05 and $\beta_2 > 0$.

H_3 : is accepted if the probability value (α) < 0.05 and $\beta_3 < 0$.

H_4 : is accepted if the probability value (α) < 0.05 and $\beta_4 > 0$.

b. F-test

Conducted to assess the goodness of fit or the feasibility of a research model and measure the accuracy of the sample regression function in estimating the actual values statistically (Ghozali, 2013) F test criteria are as follows:

- 1) If the significant value of F test is $\leq 0,05$, it shows that the regression equation model meets the goodness of fit.
- 2) If the significant value of F test is $> 0,05$, it shows that the regression equation does not meet the goodness of fit.

c. Adjusted R^2

Adjusted R^2 will also be used to calculate the degree to which the capacity of the independent variable explains the change in the dependent variable. The Adjusted test in this study is based on the modified R square value, which is because the Adjusted R square has a weakness which results in a bias towards the number of independent variables entered in the model. Additional independent variables, then R square, will increase regardless of how the variable affects the dependent variable. Many studies indicate that the adjusted R square value is used because the adjusted R square value will rise or fall if a single independent variable is applied to the model (Ghozali, 2013).

CHAPTER 4

DATA ANALYSIS AND DISCUSSION

Data analysis in this study consisted of descriptive statistics, classic assumption tests and hypothesis testing. The following will discuss the results of data analysis that has been carried out with the help of the SPSS computer program.

4.1. Descriptive Statistics

Descriptive analysis is the exposure and data description of all observations in this study. The result of descriptive statistics of all the variables in this research are shown in the table below:

Table 4.1
Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Stock price	165	-0.0304	0.0436	0.000325	0.0095503
Return on equity	165	-0.3798	1.0528	0.112117	0.1476938
Quick Ratio	165	0.1393	13.0445	1.898504	1.7133070
Debt to Equity Ratio	165	-1.5264	4.9465	0.756856	0.6495977
Total Asset Turnover	165	0.0597	3.1048	1.091833	0.4623724

Source: Data processing, 2020

The descriptive statistical test results above show that the value of the minimum stock price measured by an average abnormal return of -0.0304, owned by PT Indofarma Tbk in 2018. The maximum value of the stock price is 0.0436, owned by PT Budi Starch & Sweetener Tbk in 2017. The mean value of the stock price is 0.000325 and the standard deviation value of the stock price is 0.0095503.

The minimum value of return on equity is -0.3798, which is owned by PT Martina Berto Tbk in 2018. The maximum value of return on equity is 1.0528, which is owned by PT Multi Bintang Indonesia Tbk in 2019. The mean return on equity is 0.112117 and the standard deviation of return on equity is 0.1476938.

The minimum value of quick ratio is 0.1393, owned by PT Tiga Pilar Sejahtera Food Tbk in 2019. The maximum value of quick ratio is 13.0445, which is owned by PT Campina Ice Cream Industry Tbk in 2017. The mean value of quick ratio is 1.898504 and the standard deviation value of quick ratio is 1.7133070.

The minimum value of debt to equity ratio is -1.5264, owned by PT Tiga Pilar Sejahtera Food Tbk in 2019. The maximum value of debt to equity ratio is 4.9465, which is owned by PT Merck Sharp Dohme Pharma Tbk in 2016. The mean value of debt to equity ratio is 0.756856 and the standard deviation of the debt to equity ratio is 0.6495977.

The minimum value of total asset turnover is 0.0597, owned by PT Inti Agri Resources Tbk in 2018. The maximum value of total asset turnover is 3.1048, owned by PT Wilmar Cahaya Indonesia Tbk in 2018. The mean value of

total asset turnover is 1.091833 and the standard deviation of total asset turnover is 0.4623724

4.2. Classic Assumption Test

The classic assumption test in this study consists of a normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test. The following will describe the results of the classic assumption test of this study.

4.2.1. Normality Test

Normality Test, according to (Ghozali, 2013) is used to confirm whether the disturbance or residual variable has a normal distribution in the regression model. To prove whether or not the data in this analysis are normally distributed, using the One Sample Kolmogorov Smirnov-Z method. The results of the normality test using the One Sample Kolmogorov Smirnov-Z test are as follows:

Table 4.2
Normality Test before Trimming
One-Sample Kolmogorov-Smirnov Test

		<i>Unstandardized Residual</i>
N		195
<i>Normal Parameters</i>	<i>Mean</i>	0.0000000
	<i>Std. Deviation</i>	0.10092521
<i>Most Extreme Differences</i>	<i>Absolute</i>	0.369
	<i>Positive</i>	0.369
	<i>Negative</i>	-0.303
<i>Kolmogorov-Smirnov Z</i>		5.160
<i>Asymp. Sig. (2-tailed)</i>		0.000

Source : Data processing, 2020

A data is considered as normal if the probability value (p-value) of the One-Sample Kolmogorov Smirnov-Z test is > 0.05 , and vice versa if the One-

Sample Kolmogorov Smirnov-Z test is < 0.05 then the data is not normally distributed (Ghozali 2013). Normality test results obtained a significance value of 0.000, a significance value < 0.05 indicates that the data is not normally distributed. Good regression requires confounding or residual variables to be normally distributed, so in order to be normal, trimming is done. Trimming is done by eliminating outlier data. The initial data of this study were 195 data, the amount of data that was trimmed was 30 data and the final data in this study were 165 data. The final results of normality test is shown below:

Table 4.3
Normality Test after Trimming
One-Sample Kolmogorov-Smirnov Test

		<i>Unstandardized Residual</i>
N		165
<i>Normal Parameters</i>	<i>Mean</i>	0.0000000
	<i>Std. Deviation</i>	0.00926035
<i>Most Extreme Differences</i>	<i>Absolute</i>	0.092
	<i>Positive</i>	0.092
	<i>Negative</i>	-0.074
<i>Kolmogorov-Smirnov Z</i>		1.182
<i>Asymp. Sig. (2-tailed)</i>		0.122

Source: Data processing, 2020

Normality test results after trimming obtained that the result shows that the Asymp. Sig (2-tailed) is 0.122. in this case, the Asymp. Sig (2-tailed) is more than 0.05. This means that the data has been normally distributed.

4.2.2. Multicollinearity Test

The multicollinearity test aims to test whether the regression model found a correlation between the independent variables. There should be no association between independent variables in a successful regression model (Ghozali, 2013). Detecting multicollinearity by looking at the magnitude of resistance and the magnitude of the inflation factor of variance. The result of the multicollinearity test can be seen in table 4.4 below:

Table 4.4
Multicollinearity Test

Variabel	Collinearity Statistics	
	Tolerance	VIF
Return on equity	0.853	1.172
Quick Ratio	0.837	1.194
Debt to Equity Ratio	0.873	1.145
Total Asset Turnover	0.886	1.129

Source: Data processing, 2020

The result above shows that all variables have no multicollinearity if the tolerance value is > 0.1 and the VIF (*Variance Inflation Factor*) value is < 10 (Ghozali, 2013). The results of multicollinearity test showed that the tolerance value of all independent variables > 0.1 and the VIF (Variance Inflation factor) value of all independent variables < 10 . Therefore, there is no multicollinearity exists between variables in this research.

4.2.3. Heteroscedasticity Test

For this analysis, the heteroscedasticity test is used to assess if the regression model exists for variance inequalities from one observation to another. A good regression model is the one with homoscedasticity or without heteroscedasticity. (Ghozali, 2009). The heteroscedasticity test in this research is using Glejser test. The result of heteroscedasticity test is shown on the table below:

Table 4.5
Heteroscedasticity Test

Variabel	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.007	0.002		4.173	0.000
Return on equity	-0.001	0.004	-0.030	-0.354	0.724
Quick Ratio	0.000	0.000	-0.091	-1.066	0.288
Debt to Equity Ratio	0.000	0.001	0.032	0.382	0.703
Total Asset Turnover	0.000	0.001	-0.018	-0.215	0.830

Source: Data processing, 2020

If the independent variable is statistically significant and affects the dependent variable, there is an indicator of heteroscedasticity. Conversely, if the independent variable does not substantially affect the absolute value of the residual dependent variable, there is no evidence of heteroscedasticity (Ghozali, 2013). Heteroscedasticity test results that have been done are known that all the

independent variables in this study have a probability (p) > 0.05 . Therefore, the conclusion is, there is no heteroscedasticity for these variables.

4.2.4. Autocorrealtion Test

The autocorrelation test aims to test whether in the linear regression model there is a correlation between the disturbance error in the t period and the error in the $t-1$ period (before) in the linear regression model. Testing autocorrelation in this analysis is based on the Watson Durbin Test (*DW Test*) (Ghozali, 2013). The rest of autocorrelation test is shown below:

Table 4.6

Autocorrelation Test Result

Durbin-Watson Test

Model	R	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Std. Error of the Estimate</i>	<i>Durbin-Watson</i>
1	0.245	0.060	0.036	0.00938	1.854

Source: Data processing, 2020

Based on the autocorrelation test provisions, a regression model is declared free if the Durbin Watson value is between dU and $4-dU$, or between 1,796 to 2,204. The results of the autocorrelation test for which has been done obtained Durbin Watson (DW) value of 1,854. The Durbin Watson (DW) value of 1,854 is located between 1,796 to 2,204. Therefore, it can be concluded that the regression equation model in this study is free from autocorrelation.

4.3. Hypothesis Testing Analysis

Testing the hypothesis in this study using multiple regression analysis. The results of the regression analysis that have been carried out are as follows:

4.3.1. F-test

Conducted to assess the goodness of fit or the feasibility of a research model and measure the accuracy of the sample regression function in estimating the actual values statistically (Ghozali, 2013). The F test results of this study are as follows:

Table 4.7

Regression analysis F-test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.001	4	0.000	2.544	0.042
	Residual	0.014	160	0.000		
	Total	0.015	164			

Source: Data processing, 2020

In this case, the significant value of F test is $\leq 0,05$, which shows that the regression equation model meets the goodness of fit and if the significant value of F test is $> 0,05$, shows that the regression equation does not meet the goodness of fit. The F test results obtained a significance value of 0.042. The significance value < 0.05 shows that the regression equation model meets the goodness of fit.

4.3.2. t-test

The t-test was used to test the effect of the independent variables on the dependent variable partially (Ghozali, 2013). t-test results in this study are as follows:

Table 4.8

Regression Result t-test

Variabel	Unstandardized Coefficients		<i>Standardized Coefficients</i>	t	Sig.
	B	Std. Error	Beta		
<i>(Constant)</i>	0.0004	0.002		0.172	0.864
Return on equity	0.0159	0.005	0.246	2.967	0.003
Quick Ratio	-0.0006	0.000	-0.113	-1.354	0.178
Debt to Equity Ratio	-0.0005	0.001	-0.036	-0.444	0.658
Total Asset Turnover	-0.0003	0.002	-0.012	-0.151	0.881

Source: Data processing, 2020

Based on the results of multiple linear regression analysis, the regression equation model of this study is as follows:

$$Y = 0.0004 + 0.0159 X_1 - 0.0006 X_2 - 0.0005 X_3 - 0.0003 X_4 + e$$

Where:

Y = Stock price

X₁ = Return on equity

X_2 = Quick Ratio

X_3 = Debt to Equity Ratio

X_4 = Total Asset Turnover

1. Return on equity

The regression coefficient value of the return on equity variable is 0.0159 and the significance value is 0.003. H_1 is accepted if the probability value (α) < 0.05 and $b_1 > 0$. The significance value is less than 0.05 which is 0.003 and b_1 is more than 0 which is 0.0159 shows that H_1 is accepted which means the return on equity has a positive effect on stock return.

2. Quick Ratio

The value of the regression coefficient of the quick ratio variable is -0.0006 and the significance value is 0.178. H_2 is accepted if the probability value (α) < 0.05 and $b_2 > 0$. The results of the analysis show that the significance value is more than 0.05 which is 0.178 so it can be concluded that H_2 it is not accepted, meaning that the quick ratio does not have a positive effect on stock return.

3. Debt to Equity Ratio

The regression coefficient value of the debt to equity ratio is -0.0005 and the significance value is 0.658. H_3 is accepted if the probability value (α) < 0.05 and $b_3 < 0$. The results of the analysis show that the significance value is more than 0.05 which is 0.658 so it is concluded that H_3 it is not

accepted, meaning that the debt to equity ratio has no negative effect on stock returns.

4. Total Asset Turnover

The regression coefficient of the total assets turnover variable is - 0.0003 and the significance value is 0.881. H_4 is accepted if the probability value (α) < 0.05 and $b_4 > 0$. The results of the analysis show that the significance value is more than 0.05 which is 0.881 so it can be concluded that H_4 it is not accepted, meaning that total assets turnover has no positive effect on stock returns.

4.3.3. Coefficient of Determination Test

The coefficient of determination (R^2) is used to calculate the degree to which the capacity of the independent variable explains the change in the dependent variable. The results of the coefficient of determination of this study are as follows:

Table 4.9

Coefficient of determination test

Model	R	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Std. Error of the Estimate</i>
1	0.245	0.060	0.036	0.00938

Source: Data processing (2020)

The adjusted R square value of 0.036 means that the return on equity, quick ratio, debt to equity ratio and total assets turnover is able to explain changes in stock returns of 0.036 or 3.6% while the rest, 96.4% should be explained by other factors.

4.4. Discussion

1. The effect of return on equity on stock price

The results of multiple linear regression analysis show that the return on equity has a positive effect on stock prices. Companies with a high return on equity suggest that the company is capable of producing high income from its investments. This will further increase the company's appeal to investors. Increasing the value of the product makes the company more appealing to investors, as the rate of return would be even higher. This will also affect that the share price of the company in the stock market will also rise so that the return on equity will lead to volatility in the company's share price (Surgawati et al., 2019).

The results of this study are consistent with the results of Suparlan (2016), Martiani (2018), Imelda (2018) and Putra, Saryadi aidayat (2013) which gets the result that return on equity has a positive effect on stock prices.

2. The effect of quick ratio on stock return

The results of multiple linear regression analysis show that a quick ratio does not have a positive effect on stock prices. This is because in the Quick Ratio there are accounts receivable components that have a default risk when it's due. This condition causes that even though the quick ratio is quite large, it does not guarantee that the company can pay obligations in the form of cash dividends to its shareholders (Lasmanah and Fitriani, 2014). Quick ratio is not relevant or important information for investors because there are no absolute provisions regarding the level of quick ratio of a company that is considered good or must be considered by a company (Suharno, 2016).

The results of this study are not consistent with the results of the study of (Mandasari and Sugiyono, 2014) showing that the Quick ratio significantly has a positive impact on the stock price.

3. The effect of debt to equity ratio on stock return

The results of the multiple linear regression analysis showed that the debt to equity ratio had no negative effect on stock prices. This can be due to the current economy, high debt owned by companies is not extraordinary as long as the company is able to pay debts and interest (Dewi and Wirakusuma, 2014).

Debt to equity ratio is not relevant or important information for investors because investors view that a growing company certainly needs

debt as additional funds to meet funding for the company. Companies need a lot of operational funds that cannot be fulfilled only from their own capital. As long as the company's debt is used for company operational costs that will increase the company's revenue in the future (Murdhaningsih et al., 2018).

The results of this study are not in accordance with the results of research by Valianti and Damayanti (2016), Andhani (2019), and Amrah and Elwisam (2018) which show that the debt-to-equity ratio has a negative effect on stock prices.

4. The effect of total assets turnover on stock return

The results of multiple linear regression analyses show that total assets turnover has no positive effect on stock prices. This is due to the fact that effective company asset turnover is not necessarily to increase corporate profits, so it is not considered by investors in investment decisions (Aprilia et al., 2018).

Ulupui (2009) concluded that the activity ratio is not useful to measure stock returns because most investors only see new assets that are more efficient because of the influence of technology. If the situation is inflationary, assets can be expensive or go down which can cause it to go up and down in stock returns.

The results of this study are not consistent with the results of research by Amrah and Elwisam (2018) and Putra, Saryadi, and Hidayat

(2013) which show the total asset turnover has a positive impact on stock prices.

CHAPTER 5

CONCLUSION

5.1. Conclusion

The objective of the research is to give empirical evidence about the effect of financial ratio on stock price using a sample of all manufacturing firm listed in Indonesian Stock Exchange on 2015-2019. The samples used a study of 229 consumer goods companies, with the research period of 2015 up to 2019. Based on the analysis which was told in the previous chapter, the result shows that the Return on Equity significantly affects the stock price. Meanwhile, Quick Ratio, Debt to Equity Ratio, and Total Assets Turnover do not affect the stock price. Based on the result of this research, the conclusion is:

1. First hypothesis shows that Return on Equity has a positive effect on stock price.
2. Second hypothesis shows that Quick Ratio does not affect on stock prices.
3. Third hypothesis shows that Debt to Equity Ratio does not affect on stock price.
4. Fourth hypothesis shows that Total Assets Turnover does not affect on stock price.

5.2. Research Limitation

This researcher using 195 sample companies form the total 229 consumer goods companies, There are some companies excluded from the sample because of does not fulfill the sample criteria which publish their annual report sequentially or in the period 2015-2019. There are 28 companies do not provide the financial report, 4 companies that have no information available on the date of publication of financial statements and 2 companies that do not provide data stock price 2 days before the publication date of financial statements, at the time of publication of the financial statements and 1 days after the publication date of the financial statements. Other than that this research also used trimming method, the total sample is 195 companies. After trimming method is done, the sample becomes 165 data. The reason is that because this type of trimming method fulfills the normality from the histogram.

The other limitation is some companies published their annual report blurry and unreadable. This research only has 4 independent variables that only have the Adjusted R2 value of 3.6% for the dependent variable, which is considered as a very little percentage.

5.3 Suggestion for Future Research

For further research is expected to add more independent variables so then the results will be more affects by the stock price and also the researcher is then expected to consider the research period so that the future researcher can obtain all research data.

For investor, because partially some financial ratios do not really affect the stock prices expected by investors. Therefore, investors are expected not only to look at the financial statements and analysis results but also to pay attention to the economic, political and policy conditions issued by the government and company management.

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APPENDICES

APPENDIX A**LIST OF SAMPLES**

No	Corporations Name	Code	Listed Year 2015
1	Tiga Pilar Sejahtera Food Tbk	AISA	8-Apr-16
2	Tri Banyan Tirta Tbk	ALTO	23-May-16
3	Cahaya Kalbar Tbk	CEKA	24-Mar-16
4	Delta Djakarta Tbk	DLTA	31-Mar-16
5	Indofood CBP Sukses Makmur Tbk	ICBP	28-Mar-16
6	Indofood Sukses Makmur Tbk	INDF	28-Mar-16
7	Multi Bintang Indonesia Tbk	MLBI	24-Mar-16
8	Mayora Indah Tbk	MYOR	30-Mar-16
9	Prasidha Aneka Niaga Tbk	PSDN	31-Mar-16
10	Nippon Indosari Corpindo Tbk	ROTI	30-Mar-16
11	Sekar Bumi Tbk	SKBM	31-Mar-16
12	Sekar Laut Tbk	SKLT	30-Mar-16
13	Siantar TOP Tbk	STTP	31-Mar-16
14	Ultra Jaya Milk Tbk	ULTJ	31-Mar-16
15	Gudang Garam Tbk	GGRM	31-Mar-16
16	Hanjaya Mandala Sampoerna Tbk	HMSP	2-Mar-16
17	Bentoel International Investama Tbk	RMBA	24-Mar-16
18	Wismilak Inti Makmur Tbk.	WIIM	28-Mar-16
19	Darya-Varia Laboratoria Tbk	DVLA	29-Mar-16
20	Indofarma Tbk	INAF	11-Mar-16
21	Kimia Farma Tbk	KAEF	14-Mar-16
22	Kalbe Farma Tbk	KLBF	31-Mar-16
23	Merck Tbk	MERK	8-Mar-16
24	Pyridam Farma Tbk	PYFA	30-Mar-16
25	Schering Plough Indonesia Tbk	SCPI	20-Apr-16
26	Industri Jamu dan Farmasi Sido Muncul Tbk.	SIDO	30-Mar-16
27	Taisho Pharmaceutical Indonesia Tbk	SQBB	31-Mar-16
28	Tempo Scan Pacific Tbk	TSPC	31-Mar-16
29	Akasha Wira International Tbk.	ADES	31-Mar-16
30	Kino Indonesia Tbk.	KINO	29-Mar-16
31	Mustika Ratu Tbk	MRAT	6-Apr-16
32	Martina Berto Tbk	MBTO	30-Mar-16
33	Mandom Indonesia Tbk	TCID	21-Mar-16
34	Unilever Indonesia Tbk	UNVR	30-Mar-16
35	Chitose Internasional Tbk.	CINT	23-Mar-16
36	Kedaung Indah Can Tbk	KICI	30-Mar-16
37	Langgeng Makmur Industri Tbk	LMPI	31-Mar-16

No	Corporations	Code	Listed Year 2016
1	Tiga Pilar Sejahtera Food Tbk	AISA	28-Apr-17
2	Tri Banyan Tirta Tbk	ALTO	2-Jun-17
3	Budi Starch & Sweetner Tbk	BUDI	31-Mar-17
4	Cahaya Kalbar Tbk	CEKA	31-Mar-17
5	Delta Djakarta Tbk	DLTA	31-Mar-17
6	Indofood CBP Sukses Makmur Tbk	ICBP	24-Mar-17
7	Indofood Sukses Makmur Tbk	INDF	24-Mar-17
8	Multi Bintang Indonesia Tbk	MLBI	13-Mar-17
9	Mayora Indah Tbk	MYOR	21-Mar-17
10	Prasidha Aneka Niaga Tbk	PSDN	31-Mar-17
11	Nippon Indosari Corpindo Tbk	ROTI	10-Mar-17
12	Sekar Bumi Tbk	SKBM	3-Apr-17
13	Sekar Laut Tbk	SKLT	30-Mar-17
14	Siantar TOP Tbk	STTP	12-Jun-17
15	Ultra Jaya Milk Tbk	ULTJ	31-Mar-17
16	Gudang Garam Tbk	GGRM	31-Mar-17
17	Hanjaya Mandala Sampoerna Tbk	HMSP	6-Mar-17
18	Bentoel International Investama Tbk	RMBA	31-Mar-17
19	Wismilak Inti Makmur Tbk.	WIIM	31-Mar-17
20	Darya-Varia Laboratoria Tbk	DVLA	30-Mar-17
21	Indofarma Tbk	INAF	30-Mar-17
22	Kimia Farma Tbk	KAEF	15-Mar-17
23	Kalbe Farma Tbk	KLBF	31-Mar-17
24	Merck Tbk	MERK	21-Mar-17
25	Pyridam Farma Tbk	PYFA	30-Mar-17
26	Schering Plough Indonesia Tbk	SCPI	22-Jun-17
27	Industri Jamu dan Farmasi Sido Muncul Tbk.	SIDO	30-Mar-17
28	Taisho Pharmaceutical Indonesia Tbk	SQBB	31-Mar-17
29	Tempo Scan Pacific Tbk	TSPC	31-Mar-17
30	Akasha Wira International Tbk.	ADES	30-Mar-17
31	Kino Indonesia Tbk.	KINO	3-Apr-17
32	Martina Berto Tbk	MBTO	30-Mar-17
33	Mustika Ratu Tbk	MRAT	31-Mar-17
34	Mandom Indonesia Tbk	TCID	21-Mar-17
35	Unilever Indonesia Tbk	UNVR	20-Mar-17
36	Chitose Internasional Tbk.	CINT	30-Mar-17
37	Kedaung Indah Can Tbk	KICI	29-Mar-17
38	Langgeng Makmur Industri Tbk	LMPI	29-Mar-17

No	Corporation Name	Code	Listed Year 2017
1	Tiga Pilar Sejahtera Food Tbk	AISA	02-Jul-18
2	Tri Banyan Tirta Tbk	ALTO	28-Apr-18
3	Bumi Teknokultura Unggul Tbk	BTEK	31-Mar-18
4	Budi Starch & Sweetener Tbk.	BUDI	23-Mar-18
5	Wilmar Cahaya Indonesia Tbk.	CEKA	16-Mar-18
6	Campina Ice Cream Industry Tbk	CAMP	02-Apr-18
7	Sariguna Primatirta Tbk.	CLEO	26-Mar-18
8	Delta Djakarta Tbk	DLTA	29-Mar-18
9	Indofood CBP Sukses Makmur Tbk	ICBP	20-Mar-18
10	Inti Agri Resources Tbk	IIKP	31-Mar-18
11	Indofood Sukses Makmur Tbk	INDF	20-Mar-18
12	Multi Bintang Indonesia Tbk	MLBI	23-Feb-18
13	Mayora Indah Tbk	MYOR	26-Mar-18
14	Prima Cakrawala Abadi Tbk	PCAR	04-Apr-18
15	Prasidha Aneka Niaga Tbk	PSDN	22-May-18
16	Nippon Indosari Corpindo Tbk	ROTI	29-Mar-18
17	Sekar Laut Tbk	SKLT	29-Mar-18
18	Siantar TOP Tbk	STTP	09-Jun-18
19	Ultra Jaya Milk Tbk	ULTJ	31-Mar-18
20	Gudang Garam Tbk	GGRM	28-Mar-18
21	Hanjaya Mandala Sampoerna Tbk	HMSP	07-Mar-18
22	Bentoel International Investama Tbk	RMBA	29-Mar-18
23	Wismilak Inti Makmur Tbk.	WIIM	29-Mar-18
24	Darya-Varia Laboratoria Tbk	DVLA	22-Mar-18
25	Indofarma Tbk	INAF	28-Mar-18
26	Kimia Farma Tbk	KAEF	05-Mar-18
27	Kalbe Farma Tbk	KLBF	29-Mar-18
28	Merck Tbk	MERK	23-Mar-18
29	Pyridam Farma Tbk	PYFA	23-Mar-18
30	Merck Sharp Dohme Pharma Tbk.	SCPI	14-Nov-18
31	Industri Jamu dan Farmasi Sido Muncul Tbk	SIDO	31-Mar-18
32	Tempo Scan Pacific Tbk	TSPC	29-Mar-18
33	Akasha Wira International Tbk.	ADES	28-Mar-18
34	Kino Indonesia Tbk.	KINO	29-Mar-18
35	Martina Berto Tbk	MBTO	30-Mar-18
36	Mustika Ratu Tbk	MRAT	29-Mar-18
37	Mandom Indonesia Tbk	TCID	22-Mar-18
38	Unilever Indonesia Tbk	UNVR	27-Feb-18
39	Chitose Internasional Tbk.	CINT	28-Mar-18
40	Kedaung Indah Can Tbk	KICI	28-Mar-18
41	Langgeng Makmur Industri Tbk	LMPI	10-Apr-18
42	Integra Indocabinet Tbk	WOOD	29-Mar-18
44	Hartadinata Abadi Tbk	HRTA	02-Apr-18

No	Corporation Name	Code	Listed Year 2018
1	Akasha Wira International Tbk	ADES	27-Mar-19
2	Tri Banyan Tirta Tbk	ALTO	25-Apr-19
3	Bumi Teknokultura Unggul Tbk	BTEK	1-Apr-19
4	Budi Starch & Sweetener Tbk.	BUDI	29-Mar-19
5	Campina Ice Cream Industry Tbk	CAMP	1-Apr-19
6	Wilmar Cahaya Indonesia Tbk.	CEKA	19-Mar-19
7	Sariguna Primatirta Tbk.	CLEO	25-Mar-19
8	Delta Djakarta Tbk	DLTA	29-Mar-19
9	Garudafood Putra Putri Jaya Tbk	GOOD	29-Mar-19
10	Indofood CBP Sukses Makmur Tbk	ICBP	22-Mar-19
11	Inti Agri Resources Tbk	IIKP	30-Mar-19
12	Indofood Sukses Makmur Tbk	INDF	22-Mar-19
13	Magna Investama Mandiri Tbk	MGNA	30-Mar-19
14	Multi Bintang Indonesia Tbk	MLBI	19-Feb-19
15	Mayora Indah Tbk	MYOR	29-Mar-19
16	Pratama Abadi Nusa Industri Tbk	PANI	29-Mar-19
17	Prima Cakrawala Abadi Tbk	PCAR	30-Mar-19
18	Nippon Indosari Corpindo Tbk	ROTI	13-Mar-19
19	Sekar Laut Tbk	SKLT	29-Mar-19
20	Ultra Jaya Milk Tbk	ULTJ	2-Apr-19
21	Gudang Garam Tbk	GGRM	29-Mar-19
22	Hanjaya Mandala Sampoerna Tbk	HMSP	22-Mar-19
23	Bentoel International Investama Tbk	RMBA	30-Mar-19
24	Wismilak Inti Makmur Tbk.	WIIM	29-Mar-19
25	Darya-Varia Laboratoria Tbk	DVLA	28-Mar-19
26	Indofarma Tbk	INAF	1-Apr-19
27	Kimia Farma Tbk	KAEF	5-Mar-19
28	Kalbe Farma Tbk	KLBF	29-Mar-19
29	Merck Tbk	MERK	29-Mar-19
30	Phapros Tbk	PEHA	12-Mar-19
31	Pyridam Farma Tbk	PYFA	27-Mar-19
32	Industri Jamu dan Farmasi Sido Muncul Tbk	SIDO	18-Feb-19
33	Tempo Scan Pacific Tbk	TSPC	29-Mar-19
34	Kino Indonesia Tbk.	KINO	29-Mar-19
35	Cottonindo Ariesta Tbk	KPAS	30-Mar-19
36	Martina Berto Tbk	MBTO	29-Mar-19
37	Mustika Ratu Tbk	MRAT	23-Apr-19
38	Mandom Indonesia Tbk	TCID	21-Mar-19
39	Unilever Indonesia Tbk	UNVR	1-Feb-19
40	Chitose Internasional Tbk.	CINT	28-Mar-19
41	Kedaung Indah Can Tbk	KICI	29-Mar-19
42	Langgeng Makmur Industri Tbk	LMPI	30-Mar-19
43	Integra Indocabinet Tbk	WOOD	29-Mar-19
44	Hartadinata Abadi Tbk	HRTA	30-Mar-19

No	Corporations Name	Code	Listed Year 2019
1	Tiga Pilar Sejahtera Food Tbk	AISA	11-Feb-20
2	Budi Starch & Sweetener Tbk.	BUDI	20-Apr-20
3	Wilmar Cahaya Indonesia Tbk.	CEKA	13-Apr-20
4	Sariguna Primatirta Tbk.	CLEO	23-Mar-20
5	Delta Djakarta Tbk	DLTA	31-Mar-20
6	Sentra Food Indonesia Tbk	FOOD	28-Apr-20
7	Indofood CBP Sukses Makmur Tbk	ICBP	23-Mar-20
8	Indofood Sukses Makmur Tbk	INDF	23-Mar-20
9	Multi Bintang Indonesia Tbk	MLBI	25-Feb-20
10	Mayora Indah Tbk	MYOR	7-Apr-20
11	Pratama Abadi Nusa Industri Tbk	PANI	6-Apr-20
12	Palm Serasih Tbk	PSGO	9-Apr-20
13	Nippon Indosari Corpindo Tbk	ROTI	3-Mar-20
14	Sekar Laut Tbk	SKLT	2-Apr-20
15	Tunas Baru Lampung Tbk	TBLA	21-Apr-20
16	Ultra Jaya Milk Tbk	ULTJ	27-Mar-20
17	Gudang Garam Tbk	GGRM	30-Mar-20
18	Hanjaya Mandala Sampoerna Tbk	HMSP	31-Mar-20
19	Darya-Varia Laboratoria Tbk	DVLA	1-Apr-20
20	Kimia Farma Tbk	KAEF	27-Mar-20
21	Kalbe Farma Tbk	KLBF	3-Apr-20
22	Phapros Tbk	PEHA	31-Mar-20
23	Pyridam Farma Tbk	PYFA	30-Mar-20
24	Merck Sharp Dohme Pharma Tbk.	SCPI	16-Apr-20
25	Industri Jamu dan Farmasi Sido Muncul Tbk	SIDO	18-Feb-20
26	Tempo Scan Pacific Tbk	TSPC	30-Mar-20
27	Kino Indonesia Tbk.	KINO	6-Apr-20
28	Martina Berto Tbk	MBTO	1-Apr-20
29	Mandom Indonesia Tbk	TCID	23-Mar-20
30	Unilever Indonesia Tbk	UNVR	31-Jan-20
31	Chitose Internasional Tbk.	CINT	31-Mar-20
32	Kedaung Indah Can Tbk	KICI	30-Mar-20
33	Langgeng Makmur Industri Tbk	LMPI	2-Apr-20

APPENDIX B

THE CALCULATION OF RESEARCH VARIABLES

No	Corporations Name	Code	Year 2015				
			Rata-Rata Abnormal Return	Return on Equity	Quick Ratio	Debt to Equity Ratio	Total Assets Turnover
1	Tiga Pilar Sejahtera Food Tbk	AISA	-0.00434	0.09422	1.05238	1.28414	0.66338
2	Tri Banyan Tirta Tbk	ALTO	-0.00255	-0.07716	1.24828	1.32799	0.25570
3	Cahaya Kalbar Tbk	CEKA	-0.01284	0.16651	1.01464	1.32199	2.34599
4	Delta Djakarta Tbk	DLTA	-0.00311	0.22604	5.13350	0.22210	0.67369
5	Indofood CBP Sukses Makmur Tbk	ICBP	-0.00388	0.17838	1.90170	0.62084	1.19504
6	Indofood Sukses Makmur Tbk	INDF	0.00384	0.08602	1.40155	1.12959	0.69760
7	Multi Bintang Indonesia Tbk	MLBI	0.00033	0.64830	0.47612	1.74091	1.28344
8	Mayora Indah Tbk	MYOR	0.00481	0.24069	1.80585	1.18362	1.30645
9	Prasidha Aneka Niaga Tbk	PSDN	-0.01563	-0.13141	0.33923	0.91293	1.48349
10	Nippon Indosari Corpindo Tbk	ROTI	0.00309	0.22762	1.94439	1.27702	0.80349
11	Sekar Bumi Tbk	SKBM	0.00481	0.07015	0.78100	0.54991	1.78191
12	Sekar Laut Tbk	SKLT	0.00010	0.13198	0.68766	1.48026	1.97583
13	Siantar TOP Tbk	STTP	0.00378	0.18408	1.04012	0.90281	1.32544
14	Ultra Jaya Milk Tbk	ULTJ	-0.00282	0.09047	2.43001	0.26541	1.24123
15	Gudang Garam Tbk	GGRM	0.01272	0.16978	0.22094	0.67085	1.10802
16	Hanjaya Mandala Sampoerna Tbk	HMSP	-0.00365	0.32369	2.36541	0.18724	2.34327
17	Bentoel International Investama Tbk	RMBA	-0.00497	0.52038	0.47326	-5.02296	1.32738
18	Wismilak Inti Makmur Tbk.	WIIM	0.00487	0.13890	0.66304	0.42279	1.36994
19	Darya-Varia Laboratoria Tbk	DVLA	0.00508	0.11083	2.85244	0.41372	0.94901
20	Indofarma Tbk	INAF	0.01071	0.01108	0.90688	1.58763	1.05750
21	Kimia Farma Tbk	KAEF	0.00530	0.13585	1.24822	0.73795	1.50186
22	Kalbe Farma Tbk	KLBF	0.01139	0.18812	2.42842	0.25215	1.30600
23	Merck Tbk	MERK	0.00007	0.30102	2.43556	0.35499	1.53269

No	Corporations Name	Code	Year 2015				
			Rata-Rata Abnormal Return	Return on Equity	Quick Ratio	Debt to Equity Ratio	Total Assets Turnover
24	Pyridam Farma Tbk	PYFA	-0.00563	0.03050	1.00133	0.58020	1.36194
25	Schering Plough Indonesia Tbk	SCPI	-0.00190	1.38117	0.86299	13.97686	1.49633
26	Industri Jamu dan Farmasi Sido Muncul Tbk.	SIDO	-0.00126	0.16837	7.83688	0.07613	0.79344
27	Taisho Pharmaceutical Indonesia Tbk	SQBB	-0.00093	0.42425	3.01471	0.31061	1.10922
28	Tempo Scan Pacific Tbk	TSPC	0.00370	0.12202	1.81080	0.44905	1.30180
29	Akasha Wira International Tbk.	ADES	-0.00220	0.10001	0.88839	0.98930	1.02526
30	Kino Indonesia Tbk.	KINO	0.02821	0.14805	1.35305	0.80749	1.12226
31	Mustika Ratu Tbk	MRAT	0.00638	0.00277	2.95735	0.31845	0.86120
32	Martina Berto Tbk	MBTO	-0.01034	-0.03237	2.60556	0.49442	1.07071
33	Mandom Indonesia Tbk	TCID	0.00767	0.31750	3.27430	0.21414	1.11181
34	Unilever Indonesia Tbk	UNVR	0.00182	1.21222	0.42711	2.25850	2.31940
35	Chitose Internasional Tbk.	CINT	0.00221	0.09356	2.12171	0.21498	0.82347
36	Kedaung Indah Can Tbk	KICI	0.00021	-0.13924	1.25489	0.43333	0.68545
37	Langgeng Makmur Industri Tbk	LMPI	-0.00088	0.00989	0.71680	0.97675	0.57079

No	Corporation Name	Code	Year 2016				
			Rata-Rata Abnormal Return	Return on Equity	Quick Ratio	Debt to Equity Ratio	Total Assets Turnover
1	Tiga Pilar Sejahtera Food Tbk	AISA	0.00592	0.16866	1.54909	1.17019	0.70729
2	Tri Banyan Tirta Tbk	ALTO	-0.00090	-0.05511	0.39867	1.42303	0.25446
3	Budi Starch & Sweetner Tbk	BUDI	-0.00931	0.03315	0.58676	1.51661	0.84165
4	Cahaya Kalbar Tbk	CEKA	-0.01566	0.28122	1.08544	0.60596	2.88615
5	Delta Jakarta Tbk	DLTA	0.00131	0.25140	6.26997	0.18316	0.64699
6	Indofood CBP Sukses Makmur Tbk	ICBP	-0.00979	0.19628	1.92610	0.56220	1.19252
7	Indofood Sukses Makmur Tbk	INDF	-0.00495	0.11986	1.06744	0.87009	0.81230
8	Multi Bintang Indonesia Tbk	MLBI	-0.00238	1.19678	0.57539	1.77227	1.43440
9	Mayora Indah Tbk	MYOR	-0.00349	0.22165	1.70340	1.06255	1.42001
10	Prasidha Aneka Niaga Tbk	PSDN	0.01653	-0.13080	0.51043	1.33261	1.42690
11	Nippon Indosari Corpindo Tbk	ROTI	0.00011	0.19392	2.80394	1.02366	0.86378
12	Sekar Bumi Tbk	SKBM	-0.00509	0.08363	0.59922	1.71902	1.49863
13	Sekar Laut Tbk	SKLT	0.03161	0.06971	0.78188	0.91875	1.46743
14	Siantar TOP Tbk	STTP	-0.00172	0.14906	1.15164	0.99948	1.12528
15	Ultra Jaya Milk Tbk	ULTJ	-0.00362	0.20343	3.56225	0.21494	1.10539
16	Gudang Garam Tbk	GGRM	0.00296	0.16865	0.20278	0.59113	1.21163
17	Hanjaya Mandala Sampoerna Tbk	HMSP	0.00391	0.37344	2.20977	0.24384	2.24584
18	Bentoel International Investama Tbk	RMBA	0.01638	-0.22092	0.57939	0.42680	1.42744
19	Wismilak Inti Makmur Tbk.	WIIM	-0.01391	0.10725	0.74434	0.36580	1.24538
20	Darya-Varia Laboratoria Tbk	DVLA	0.00149	0.14087	2.29467	0.41848	0.94775
21	Indofarma Tbk	INAF	0.01268	-0.03016	0.79596	1.39968	1.21212
22	Kimia Farma Tbk	KAEF	-0.00637	0.11957	1.14338	1.03071	1.25993
23	Kalbe Farma Tbk	KLBF	0.00652	0.18862	2.68783	0.22161	1.27244

No	Corporation Name	Code	Year 2016				
			Rata-Rata Abnormal Return	Return on Equity	Quick Ratio	Debt to Equity Ratio	Total Assets Turnover
24	Merck Tbk	MERK	-0.00235	0.26403	2.29977	0.27676	1.39099
25	Pyridam Farma Tbk	PYFA	-0.00072	0.04878	1.12843	0.58340	1.29862
26	Schering Plough Indonesia Tbk	SCPI	-0.00254	0.57510	3.52859	4.94652	1.72268
27	Industri Jamu dan Farmasi Sido Muncul Tbk.	SIDO	-0.00108	0.17424	6.84812	0.08330	0.85748
28	Taisho Pharmaceutical Indonesia Tbk	SQBB	-0.00366	0.46556	2.86733	0.35060	1.18223
29	Tempo Scan Pacific Tbk	TSPC	0.00339	0.11768	1.82837	0.42080	1.38757
30	Akasha Wira International Tbk.	ADES	0.01382	0.14556	1.14670	0.99663	1.15660
31	Kino Indonesia Tbk.	KINO	-0.00680	0.09278	1.20089	0.68257	1.06349
32	Martina Berto Tbk	MBTO	-0.00991	0.01999	2.43785	0.61015	0.96547
33	Mustika Ratu Tbk	MRAT	0.00061	-0.01504	3.00422	0.30873	0.71291
34	Mandom Indonesia Tbk	TCID	-0.00106	0.09088	3.05296	0.22541	1.15637
35	Unilever Indonesia Tbk	UNVR	-0.00231	1.35849	0.39253	2.55969	2.39188
36	Chitose Internasional Tbk.	CINT	-0.00364	0.06317	1.89594	0.22335	0.81993
37	Kedaung Indah Can Tbk	KICI	-0.00240	0.00408	1.61918	0.57072	0.71084
38	Langgeng Makmur Industri Tbk	LMPI	0.00012	0.01699	0.96696	0.98535	0.50835

No	Corporations Name	Code	Year 2017				
			Rata-Rata Abnormal Return	Return on Equity	Quick Ratio	Debt to Equity Ratio	Total Assets Turnover
1	Tiga Pilar Sejahtera Food Tbk	AISA	-0.0795	-0.24870	0.80341	1.56242	0.56399
2	Tri Banyan Tirta Tbk	ALTO	0.0109	-0.14990	0.09736	1.64590	0.23630
3	Bumi Teknokultura Unggul Tbk	BTEK	0.0046	-0.02156	0.55235	1.66955	0.16719
4	Budi Starch & Sweetener Tbk.	BUDI	0.0436	0.03824	0.57369	1.46041	0.85410
5	Wilmar Cahaya Indonesia Tbk.	CEKA	-0.0004	0.11895	1.28990	0.54216	3.05732
6	Campina Ice Cream Industry Tbk	CAMP	-0.0221	0.05182	13.04449	0.44548	0.78009
7	Sariguna Primatirta Tbk.	CLEO	0.0028	0.16839	0.68469	1.21807	0.93004
8	Delta Djakarta Tbk	DLTA	0.0019	0.24442	7.35736	0.17140	0.57972
9	Indofood CBP Sukses Makmur Tbk	ICBP	0.0040	0.17433	1.95057	0.55575	1.12610
10	Inti Agri Resources Tbk	IKP	0.0148	-0.04504	0.30227	0.08667	0.06821
11	Indofood Sukses Makmur Tbk	INDF	0.0007	0.11004	1.05484	0.88079	0.79812
12	Multi Bintang Indonesia Tbk	MLBI	1.3095	1.24149	0.69413	1.35709	1.35045
13	Mayora Indah Tbk	MYOR	0.0162	0.22177	1.97802	1.02817	1.39561
14	Prima Cakrawala Abadi Tbk	PCAR	0.0067	0.00377	2.28243	0.45717	0.96182
15	Prasidha Aneka Niaga Tbk	PSDN	-0.0063	0.10735	0.44680	1.30722	2.02550
16	Nippon Indosari Corpindo Tbk	ROTI	0.0048	0.04800	2.20962	0.61681	0.54634
17	Sekar Laut Tbk	SKLT	0.0012	0.07468	0.69191	1.06875	1.43676
18	Siantar TOP Tbk	STTP	-0.0200	0.15600	1.80773	0.69157	1.20619
19	Ultra Jaya Milk Tbk	ULTJ	-0.0075	0.16910	3.36008	0.23242	0.94074
20	Gudang Garam Tbk	GGRM	0.0022	0.18383	0.25767	0.58245	1.24784
21	Hanjaya Mandala Sampoerna Tbk	HMSP	-0.0110	0.37143	2.49224	0.26465	2.29692
22	Bentoel International Investama Tbk	RMBA	0.0007	-0.05380	0.68051	0.57823	1.43847
23	Wismilak Inti Makmur Tbk.	WIIM	0.0024	0.04150	1.20041	0.25317	1.20455

No	Corporations Name	Code	Year 2017				
			Rata-Rata Abnormal Return	Return on Equity	Quick Ratio	Debt to Equity Ratio	Total Assets Turnover
24	Darya-Varia Laboratoria Tbk	DVLA	-0.0047	0.14535	2.20051	0.46993	0.96024
25	Indofarma Tbk	INAF	0.0065	-0.08793	0.75709	1.90624	1.06631
26	Kimia Farma Tbk	KAEF	0.0221	0.12894	1.04230	1.36972	1.00514
27	Kalbe Farma Tbk	KLBF	0.0139	0.17657	2.91220	0.19593	1.21460
28	Merck Tbk	MERK	-0.0092	0.23508	1.51821	0.37627	1.36557
29	Pyridam Farma Tbk	PYFA	-0.0072	0.06548	3.21299	0.46583	1.39757
30	Merck Sharp Dohme Pharma Tbk.	SCPI	-0.0008	0.34304	0.88501	2.79142	1.61333
31	Industri Jamu dan Farmasi Sido Muncul Tbk	SIDO	0.0004	0.18433	6.52729	0.09059	0.81497
32	Tempo Scan Pacific Tbk	TSPC	0.0030	0.10967	1.78296	0.46298	1.28656
33	Akasha Wira International Tbk.	ADES	0.0023	0.09040	0.76062	0.98632	0.96936
34	Kino Indonesia Tbk.	KINO	-0.0008	0.05338	1.29956	0.57534	0.97623
35	Martina Berto Tbk	MBTO	0.0110	-0.05982	1.65281	0.89142	0.93711
36	Mustika Ratu Tbk	MRAT	0.0028	-0.00350	2.56992	0.35618	0.69302
37	Mandom Indonesia Tbk	TCID	0.0062	0.09639	3.28649	0.27093	1.14590
38	Unilever Indonesia Tbk	UNVR	-0.0003	1.35396	0.44270	2.65455	2.17939
39	Chitose Internasional Tbk.	CINT	-0.0029	0.07756	1.79664	0.24669	0.78467
40	Kedaung Indah Can Tbk	KICI	0.0019	0.08685	2.20535	0.63303	0.75903
41	Langgeng Makmur Industri Tbk	LMPI	-0.0033	-0.08276	0.92131	1.21803	0.49265
42	Integra Indocabinet Tbk	WOOD	0.0134	0.08963	0.33254	1.00928	0.45139
43	Hartadinata Abadi Tbk	HRTA	-0.0006	0.11069	2.17234	0.42341	1.75034
44	Tiga Pilar Sejahtera Food Tbk	AISA	-0.0047	-0.24870	0.80341	1.56242	0.56399

No	Corporations Name	Code	Year 2018				
			Rata-Rata Abnormal Return	Return on Equity	Quick Ratio	Debt to Equity Ratio	Total Assets Turnover
1	Akasha Wira International Tbk	ADES	0.00609	0.11006	0.97181	0.82994	0.91266
2	Tri Banyan Tirta Tbk	ALTO	0.00111	-0.08530	0.27221	1.86687	0.26155
3	Bumi Teknokultura Unggul Tbk	BTEK	-0.04730	0.03362	0.94282	1.28497	0.17231
4	Budi Starch & Sweetener Tbk.	BUDI	-0.00466	0.04115	0.54279	1.76643	0.78020
5	Campina Ice Cream Industry Tbk	CAMP	-0.00475	0.06996	8.11728	0.13423	0.95704
6	Wilmar Cahaya Indonesia Tbk.	CEKA	0.00555	0.09486	3.01039	0.19691	3.10476
7	Sariguna Primatirta Tbk.	CLEO	-0.00104	0.09955	0.85598	0.31229	0.99661
8	Delta Djakarta Tbk	DLTA	-0.00235	0.26331	6.13018	0.18639	0.58615
9	Garudafood Putra Putri Jaya Tbk	GOOD	-0.00304	0.17092	0.57214	0.69213	1.91077
10	Indofood CBP Sukses Makmur Tbk	ICBP	-0.01576	0.20517	1.39872	0.51349	1.11774
11	Inti Agri Resources Tbk	IIKP	-0.01226	-0.05495	0.19434	0.08656	0.05972
12	Indofood Sukses Makmur Tbk	INDF	-0.01283	0.09940	0.69313	0.93397	0.76027
13	Magna Investama Mandiri Tbk	MGNA	-0.00009	-2.22803	0.63665	11.35041	1.25901
14	Multi Bintang Indonesia Tbk	MLBI	0.00254	1.04905	0.66928	1.47487	1.26306
15	Mayora Indah Tbk	MYOR	-0.00297	0.20608	1.95111	1.05931	1.36774
16	Pratama Abadi Nusa Industri Tbk	PANI	-0.00291	0.02948	0.35857	2.75258	1.97184
17	Prima Cakrawala Abadi Tbk	PCAR	0.00384	-0.09480	3.04686	0.32756	1.50319
18	Nippon Indosari Corpindo Tbk	ROTI	-0.00112	0.04360	3.44729	0.50633	0.62965
19	Sekar Laut Tbk	SKLT	-0.00186	0.09419	0.69297	1.20287	1.39842
20	Ultra Jaya Milk Tbk	ULTJ	-0.00528	0.14693	3.28224	0.16354	0.98506
21	Gudang Garam Tbk	GGRM	-0.00290	0.17267	0.30562	0.53096	1.38512
22	Hanjaya Mandala Sampoerna Tbk	HMSP	-0.00079	0.38289	2.57543	0.31801	2.29048
23	Bentoel International Investama Tbk	RMBA	-0.01897	-0.07273	0.63368	0.77858	1.47336

No	Corporations Name	Code	Year 2018				
			Rata-Rata Abnormal Return	Return on Equity	Quick Ratio	Debt to Equity Ratio	Total Assets Turnover
24	Wisnilak Inti Makmur Tbk.	WIIM	-0.00682	0.05088	1.57369	0.24903	1.11932
25	Darya-Varia Laboratoria Tbk	DVLA	0.00631	0.16717	2.21512	0.40205	1.01000
26	Indofarma Tbk	INAF	-0.03042	0.00206	0.78816	0.65567	1.10443
27	Kimia Farma Tbk	KAEF	-0.00418	0.11971	0.94423	1.81857	0.78793
28	Kalbe Farma Tbk	KLBF	0.00008	0.16328	3.13787	0.18645	1.16136
29	Merck Tbk	MERK	-0.00042	2.24458	0.99064	1.43712	0.48448
30	Phapros Tbk	PEHA	0.01173	0.16877	0.70849	1.36600	0.54164
31	Pyridam Farma Tbk	PYFA	-0.00755	0.07103	1.50255	0.57287	1.33887
32	Industri Jamu dan Farmasi Sido Muncul Tbk	SIDO	0.02367	0.22871	3.35652	0.14987	0.82792
33	Tempo Scan Pacific Tbk	TSPC	0.00225	0.09946	1.77662	0.44859	1.28185
34	Kino Indonesia Tbk.	KINO	-0.00797	0.06864	1.10667	0.64258	1.00544
35	Cottonindo Ariesta Tbk	KPAS	-0.02427	0.00587	0.33982	0.69251	0.31764
36	Martina Berto Tbk	MBTO	-0.01557	-0.37980	1.19099	1.15646	0.77547
37	Mustika Ratu Tbk	MRAT	0.00714	-0.00613	2.08228	0.39110	0.58718
38	Mandom Indonesia Tbk	TCID	-0.00323	0.08773	3.41618	0.23964	1.08327
39	Unilever Indonesia Tbk	UNVR	0.00414	1.20207	0.50894	1.57622	2.14117
40	Chitose Internasional Tbk.	CINT	-0.00179	0.03487	1.10349	0.26424	0.75377
41	Kedaung Indah Can Tbk	KICI	0.01525	-0.00923	1.56736	0.62799	0.56407
42	Langgeng Makmur Industri Tbk	LMPI	-0.00369	-0.14037	0.70478	1.38041	0.57907
43	Integra Indocabinet Tbk	WOOD	-0.00792	0.09878	0.48742	0.87283	0.45799
44	Hartadinata Abadi Tbk	HRTA	0.00116	0.11292	2.11028	0.40661	1.78630

No	Corporations Name	Code	Year 2019				
			Rata-Rata Abnormal Return	Return on Equity	Quick Ratio	Debt to Equity Ratio	Total Assets Turnover
1	Tiga Pilar Sejahtera Food Tbk	AISA	0.00268	0.03579	0.13933	-1.52635	0.87165
2	Budi Starch & Sweetener Tbk.	BUDI	0.00500	0.04981	0.56933	1.33387	1.00133
3	Wilmar Cahaya Indonesia Tbk.	CEKA	0.01618	0.19045	3.62151	0.23140	2.24032
4	Sariguna Primatirta Tbk.	CLEO	0.01240	0.17063	0.68570	0.62488	0.87434
5	Delta Jakarta Tbk	DLTA	-0.01614	0.26189	6.75859	0.17504	0.58005
6	Sentra Food Indonesia Tbk	FOOD	0.00644	0.02468	0.79655	0.60141	1.06468
7	Indofood CBP Sukses Makmur Tbk	ICBP	0.00135	0.20097	1.94990	0.45136	1.09268
8	Indofood Sukses Makmur Tbk	INDF	0.01516	0.10890	0.88082	0.77480	0.79620
9	Multi Bintang Indonesia Tbk	MLBI	0.00711	1.05279	0.62767	1.52786	1.28114
10	Mayora Indah Tbk	MYOR	0.00220	0.20600	2.67968	0.92303	1.31457
11	Pratama Abadi Nusa Industri Tbk	PANI	-0.00321	-0.03094	0.37437	1.99539	1.92672
12	Palm Serasih Tbk	PSGO	0.00450	-0.13676	2.22860	1.76574	0.22379
13	Nippon Indosari Corpindo Tbk	ROTI	0.00576	0.07648	1.61781	0.51396	0.71272
14	Sekar Laut Tbk	SKLT	-0.00744	0.11815	0.73802	1.07908	1.61993
15	Tunas Baru Lampung Tbk	TBLA	0.00171	0.12326	1.08451	2.23760	0.49146
16	Ultra Jaya Milk Tbk	ULTJ	0.02030	0.18317	3.26279	0.16857	0.94446
17	Gudang Garam Tbk	GGRM	0.00921	0.21364	0.36557	0.54420	1.40531
18	Hanjaya Mandala Sampoerna Tbk	HMSP	0.00869	0.38457	1.98943	0.42666	2.08348
19	Darya-Varia Laboratoria Tbk	DVLA	-0.00479	0.16981	2.15370	0.40111	0.99074
20	Kimia Farma Tbk	KAEF	0.09569	0.00214	0.60817	1.47579	0.51221
21	Kalbe Farma Tbk	KLBF	0.00874	0.15190	2.90423	0.21305	1.11689
22	Phapros Tbk	PEHA	0.58309	0.12452	0.70688	1.55197	0.52721
23	Pyridam Farma Tbk	PYFA	-0.01565	0.07491	1.90000	0.52964	1.29524

No	Corporations Name	Code	Year 2019				
			Rata-Rata Abnormal Return	Return on Equity	Quick Ratio	Debt to Equity Ratio	Total Assets Turnover
24	Merck Sharp Dohme Pharma Tbk.	SCPI	0.00436	0.18258	3.22212	1.29774	1.29877
25	Industri Jamu dan Farmasi Sido Muncul Tbk	SIDO	0.00482	0.02635	3.40450	0.15407	0.86727
26	Tempo Scan Pacific Tbk	TSPC	-0.00188	0.10277	2.05597	0.44582	1.31305
27	Kino Indonesia Tbk.	KINO	-0.00340	0.19076	1.02586	0.73733	0.99640
28	Martina Berto Tbk	MBTO	-0.02411	-0.28467	0.83598	1.51333	0.90949
29	Mandom Indonesia Tbk	TCID	-0.00340	0.07189	2.93583	0.26350	1.09915
30	Unilever Indonesia Tbk	UNVR	-0.02687	1.39966	0.46697	2.90949	2.07864
31	Chitose Internasional Tbk.	CINT	-0.01078	0.01853	0.99623	0.33829	0.78962
32	Kedaung Indah Can Tbk	KICI	-0.00354	-0.03632	1.79313	0.74940	0.59588
33	Langgeng Makmur Industri Tbk	LMPI	-0.00498	-0.14403	0.46872	1.54956	0.70158

APPENDIX C

SPSS RESULT

Descriptive statistics

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Stock price	165	-.0304	.0436	.000325	.0095503
Return on equity	165	-.3798	1.0528	.112117	.1476938
Quick Ratio	165	.1393	13.0445	1.898504	1.7133070
Debt to Equity Ratio	165	-1.5264	4.9465	.756856	.6495977
Total Asset Turnover	165	.0597	3.1048	1.091833	.4623724
Valid N (listwise)	165				

Normality Test Result

Normality Tests Before Trimming

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		195
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.10092521
Most Extreme Differences	Absolute	.369
	Positive	.369
	Negative	-.303
Kolmogorov-Smirnov Z		5.160
Asymp. Sig. (2-tailed)		.000

a. Test distribution is Normal.

b. Calculated from data.

Normality Tests After Trimming

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		165
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.00926035
Most Extreme Differences	Absolute	.092
	Positive	.092
	Negative	-.074
Kolmogorov-Smirnov Z		1.182
Asymp. Sig. (2-tailed)		.122

a. Test distribution is Normal.

b. Calculated from data.

Multicollinearity Test Result

Variables Entered/Removed^b

Model	Variables Entered	Variables Removed	Method
1	Total Asset Turnover, Debt to Equity Ratio, Return on equity, Quick Ratio		Enter

a. All requested variables entered.

b. Dependent Variable: Stock price

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	Return on equity	.853	1.172
	Quick Ratio	.837	1.194
	Debt to Equity Ratio	.873	1.145
	Total Asset Turnover	.886	1.129

a. Dependent Variable: Stock price

Coefficient Correlations^a

Model		Total Asset Turnover	Debt to Equity Ratio	Return on equity	Quick Ratio	
1	Correlations	Total Asset Turnover	1.000	.068	-.333	.132
		Debt to Equity Ratio	.068	1.000	-.120	.353
		Return on equity	-.333	-.120	1.000	-.229
		Quick Ratio	.132	.353	-.229	1.000
	Covariances	Total Asset Turnover	2.83E-006	1.37E-007	-3.0E-006	1.04E-007
		Debt to Equity Ratio	1.37E-007	1.45E-006	-7.8E-007	1.99E-007
		Return on equity	-3.01E-006	-7.79E-007	2.88E-005	-5.74E-007
		Quick Ratio	1.04E-007	1.99E-007	-5.7E-007	2.18E-007

a. Dependent Variable: Stock price

Heteroscedasticity Test Result

Variables Entered/Removed^b

Model	Variables Entered	Variables Removed	Method
1	Total Asset Turnover, Debt to Equity Ratio, Return on equity, Quick Ratio		Enter

a. All requested variables entered.

b. Dependent Variable: absres

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.117 ^a	.014	-.011	.00668

a. Predictors: (Constant), Total Asset Turnover, Debt to Equity Ratio, Return on equity, Quick Ratio

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.000	4	.000	.553	.697 ^a
	Residual	.007	160	.000		
	Total	.007	164			

a. Predictors: (Constant), Total Asset Turnover, Debt to Equity Ratio, Return on equity, Quick Ratio

b. Dependent Variable: absres

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.007	.002		4.173	.000
	Return on equity	-.001	.004	-.030	-.354	.724
	Quick Ratio	.000	.000	-.091	-1.066	.288
	Debt to Equity Ratio	.000	.001	.032	.382	.703
	Total Asset Turnover	.000	.001	-.018	-.215	.830

a. Dependent Variable: absres

Autocorrelation Test Result

Variables Entered/Removed^b

Model	Variables Entered	Variables Removed	Method
1	Total Asset Turnover, Debt to Equity Ratio, Return on equity, Quick Ratio ^a		Enter

a. All requested variables entered.

b. Dependent Variable: Stock price

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.245 ^a	.060	.036	.00938	1.854

a. Predictors: (Constant), Total Asset Turnover, Debt to Equity Ratio, Return on equity, Quick Ratio

b. Dependent Variable: Stock price

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.001	4	.000	2.544	.042 ^a
	Residual	.014	160	.000		
	Total	.015	164			

a. Predictors: (Constant), Total Asset Turnover, Debt to Equity Ratio, Return on equity, Quick Ratio

b. Dependent Variable: Stock price

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.000	.002		.172	.864
	Return on equity	.016	.005	.246	2.967	.003
	Quick Ratio	-.001	.000	-.113	-1.354	.178
	Debt to Equity Ratio	-.001	.001	-.036	-.444	.658
	Total Asset Turnover	.000	.002	-.012	-.151	.881

a. Dependent Variable: Stock price

Hypothesis Testing Analysis Result

Variables Entered/Removed^d

Model	Variables Entered	Variables Removed	Method
1	Total Asset Turnover, Debt to Equity Ratio, Return on equity, Quick Ratio ^a	.	Enter

a. All requested variables entered.

b. Dependent Variable: Stock price

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.245 ^a	.060	.036	.00938

a. Predictors: (Constant), Total Asset Turnover, Debt to Equity Ratio, Return on equity, Quick Ratio

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.001	4	.000	2.544	.042 ^a
	Residual	.014	160	.000		
	Total	.015	164			

a. Predictors: (Constant), Total Asset Turnover, Debt to Equity Ratio, Return on equity, Quick Ratio

b. Dependent Variable: Stock price

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.000	.002		.172	.864
	Return on equity	.016	.005	.246	2.967	.003
	Quick Ratio	-.001	.000	-.113	-1.354	.178
	Debt to Equity Ratio	-.001	.001	-.036	-.444	.658
	Total Asset Turnover	.000	.002	-.012	-.151	.881

a. Dependent Variable: Stock price