THE EFFECT OF RETURN ON INVESTMENT, DEBT TO EQUITY RATIO, AND EARNING PER SHARE ON STOCK PRICE

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Abstract

This study was conducted to examine the factors that affect the stock price of manufacturing companies in the goods and consumption industry sector on the Indonesia Stock Exchange, such as Return On Investment (ROI), Debt To Equity Ratio (DER), and Earning Per Share (EPS). The population in this
study amounted to 34 companies. The sample selection method in this study used purposive sampling, so that there were five companies as samples in this study. Data obtained through www.idx.co.id. This study uses panel data which is a combination of time series and cross section. The data analysis technique used was descriptive statistical analysis and panel data regression analysis using the software eviwus 9. The results showed partially that ROI 0.0001 < 0.005 had a positive and significant effect on stock prices. DER 0.0060 < 0.005 has a positive and significant effect on stock prices, EPS 0.3776 > 0.05 has a negative and insignificant effect on stock prices and the results show simultaneously the ROI, DER, and EPS values 0.000000 < 0.05 jointly affect stock prices in manufacturing companies in the goods and consumption sector for the 2016-2020 period.

**Keywords:** Return On Investment, Debt To Equity Ratio, Earning Per Share, Stock Price

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**Citation:**


**INTRODUCTION**

The Covid-19 pandemic has had a major impact on various sectors and pillars of the economy, including the capital market and stock market. This condition also occurred in Indonesia, Tamara (2020) reported that the IHGS condition in Indonesia had decreased in early 2020, the stock market fell 6.58% in a day and was the deepest decline since nine years ago (katadata.co.id) ,2020). This condition of falling stock prices has also occurred in Indonesia during the 1998 crisis and also in 2020, and policy makers are always trying to contain the drop in stock prices during this COVID-19 pandemic.

One of them was carried out by the Indonesia Stock Exchange (IDX) by implementing a policy of stopping trading in March 2020, which was a follow-up to a letter from the head of the capital market-
supervision department of the financial services authority (OJK) regarding orders to conduct trading halts on the Indonesian stock exchange under market conditions. capital is under pressure.

The Financial Services Authority (OJK, 2020) through OJK circular letter NUMBER: 3/SEOJK.04/2020 stated that economic conditions were experiencing a slowdown and pressure both regionally and nationally caused during the COVID-19 pandemic. This slowdown and pressure condition was also followed by the condition of stocks on the Indonesia Stock Exchange since the beginning of 2020 until now experiencing significant pressure as indicated by a decline in the Composite Stock Price Index (IHGS) by 18.46%. On this basis, the condition of fluctuating stock movements, the government through other special institutions is trying to issue various policies in handling and restoring Indonesia's economic conditions, especially in preventing the decline in IHGS prices during the COVID-19 pandemic.

Various policies have been issued to deal with the decline in stock prices during the COVID-19 pandemic, given that the decline in stock prices has affected various trading sectors. According to a report by Tamara (2020), the fall in JCI stock prices during the COVID-19 pandemic was followed by a decline in all sectoral indices. The sectoral decline varied widely, ranging from 17% to 45%, property and agriculture being the sectors that experienced the deepest decline. In addition, goods and consumption were the most immune sectors, with the thinnest decline of 17% (katadata.co.id, 2020).

So that the movement of stock trading during the COVID-19 pandemic has tended to decline, which has affected various sectors as well, and some sectors of goods and consumption have persisted during the COVID-19 pandemic. This condition shows that the Covid-19 pandemic has caused several economic sectors to decline, but several sectors such as the goods and consumption sector have survived and have been able to increase demand and sales of production and stock price.

Through the capital market, various companies that have been listed as issuers, including manufacturing companies, can obtain funds to carry out their economic activities through the sale of shares. Indonesia is a country that will be rich in natural resources, this is the focus of many companies to establish companies that process raw materials into finished materials.
Abundant natural resources are what make stock prices in manufacturing companies in the goods and consumption sector vary. The socio-economic life of Islam, including investment, cannot be separated from the principles of sharia. Sharia investment is investment based on sharia principles, both investment in the real sector and the financial sector. Islam teaches investment that benefits all parties (win-win solution) and prohibits humans from making zero-sum investments. Zero sum game investment is a game/condition where one person's profits are obtained from the losses of other players, so that if you add up the total profit minus the total loss, the result is zero.

In the Qur'an Allah has forbidden humans to seek sustenance by speculating or in other ways that are detrimental to one party, as His word in Surah Al-Ma'idah verse 3: Meaning; Forbidden to you (eating) carrion, blood, pork, and (meat) animals slaughtered not in (name of) Allah, which are strangled, beaten, fallen, horned, and torn by wild animals, except which you have slaughtered. And (it is also forbidden) to be slaughtered for idols. And (it is also forbidden) to draw fate with azlam (arrows), (because) it is a wicked act.

Today the disbelievers have given up hope of (overcoming) your religion, therefore do not fear them, but fear Me. This day I have perfected your religion for you, and have completed My favor upon you, and have approved Islam as your religion. But whoever is compelled by hunger, not because he wants to sin, then indeed, Allah is Forgiving, Most Merciful. This reason is the basis of this research, namely in manufacturing companies in the goods and consumption industrial sector. The importance of stock prices for companies is because the stock prices will describe the company's performance increasing or decreasing, so that potential investors will be interested in buying these shares. An investor before investing, of course, will first pay attention to the company's performance, because an investor wants profits.

The profits that investors get from the results of this stock investment can come from the company's profits that are distributed or dividend. Stock prices are influenced by internal factors, namely, company performance and management policies, in addition to external factors, namely political, cultural, economic conditions and government policies. To be able to maximize the value of the company, it is necessary to make policies that are able to give influence to the company in this case are the shareholders and the shareholders or investors.
In determining the purchase of shares, most investors use ratio analysis, which is a tool used by ratios to help analyze the company's financial statements so that the strengths and weaknesses of a company can be known. In this study using the ratio of Return On Investment (ROI), Debt To Equity Ratio (DER), and Earning Per Share (EPS). These three ratios are ratios to assess the company's ability to generate profits.

Return On Investment (ROI) is a ratio that provides important information because it describes the net income obtained from all assets owned by the company. The greater this ratio indicates the higher the profit earned by the company. This will attract investors to invest, and the increase in demand for shares will cause the stock price to rise.

Debt To Equity Ratio (DER) is a ratio that compares the amount of debt to equity. This ratio describes whether capital can cover the company's debts to outsiders. High DER value shows the high dependence of the company's capital on debt. So that the company's burden is also getting heavier and erodes the profits that can be distributed to investors as a result the stock price decreases.

Earning Per Share (EPS) is a ratio that is very helpful for investors because it can describe the prospect of earnings (net income that is ready to be distributed to shareholders) of a company in the future. Therefore, the increase in the value of EPS results in an increase in demand for shares which will make the stock price rise.

Return On Investment (ROI), Debt To Equity Ratio (DER), and Earning Per Share (EPS) are part of the financial ratios that are usually used by some investors. The analysis of these three ratios greatly influences stock prices on the Indonesian stock exchange market, because the higher the level of the company's ability to generate good profits, the higher the number of investors who will invest or investment.

LITERATURE REVIEW

Darmadji and Fakhruddin (2006; 231), the Islamic capital market can be defined as a capital market that applies sharia principles in economic transaction activities regardless of things that are prohibited, such as; usury, gambling, speculation and others.

Fatwa of the National Sharia Council No: 40/DSN-MUI/X/2003 (Chapter II Article 2) concerning general guidelines for the application of sharia principles in the capital market, it is stated that the capital-
market and its entire mechanism of activity, especially regarding issuers, types of securities traded and the trading mechanism is in accordance with sharia if it meets sharia principles.

Financial management is a discipline that studies the financial management of companies, both in terms of finding funds, allocating funds, and sharing company profits (Anwar, 2019:5). From the definition of financial management put forward by experts, it can be concluded collectively, meaning that it is an effort made to plan, regulate, control, and save funds so that they can be achieved to the goal (effectively) with minimal effort (efficient).

Financial management is one of the most important corporate management functions. According to Irham Fahmi (2016: 3) "the science of financial management serves as a guide for company managers in every decision making. The main purpose of financial management is to maximize the value of the company, maximize the value of the company or provide added value to the assets owned by shareholders, according to Irham Fahmi (2016: 4) there are several objectives of financial management, namely: 1) Maximizing firm value, 2) Maintain financial stability under controlled conditions, 3) Minimize the company's risk in the present and in the future.

According to Mamduh M. Hanafi and Abdul Halim (2016: 49) who stated that financial statements are one of the important sources of information conveyed by industry information, economic conditions, company market share, management quality and others. There are three main types of financial statements produced, namely, balance sheets, profit/loss statements and cash flow statements. In addition to the three reports, supporting reports such as retained earnings reports, changes in own capital and management discussions are also produced.

The purpose of financial reports is to provide complete information about the financial condition to outside and within the company, to be able to make the right decisions for the development of the company (Kasmir, 2018:10). The function of financial reports is to present the results of money activities at an agency in a current manner which includes profits, expenses and income of the money (Roellyainulyaqin.Http://brainly.co.id/).

The accounting process certainly cannot be separated from financial reports because financial statements have a very important function, both for internal company functions and for external parties-
as users of financial information. The functions of financial statements in general are as follows:

1) As material for work evaluation, planning, and decision making.
2) As a material for consideration and accountability to the company.
3) To show the credibility of the company.
4) To describe the condition of the company.

According to Kasmir (2018:104) Financial ratios are activities to compare the numbers in the financial statements by dividing one number by another. Comparisons can be made between one component and another in one financial statement. Then the numbers being compared can be in the form of numbers in one period or several periods.

**Return On Investment (ROI)**

This ratio measures the rate of return of the business on all existing assets. Or this ratio describes the efficiency of the funds used in the company. Therefore, this ratio is often called Return On Investment (Sugiono & Untung, 2016:68).

This ratio is calculated by dividing net income by total assets. If a company has a high ROI, then the company has a great opportunity to increase growth. The more investors who want to buy the company's shares, the company's stock price will tend to increase.

**Earning Per Share (EPS)**

Leverage is the level of the company's ability to use assets or funds that have a fixed burden with the aim of increasing the level of income for shareholders (Musfitria, 2016:10). The leverage ratio shows the proportion of the use of debt to finance its investment. Financial theory considers leverage as a source of risk, so the greater the company's leverage, the greater the risk for shareholders.

The results of the calculation of the leverage ratio can be seen as an early warning of the possibility of bankruptcy. Leverage ratios can make stock prices low. The high and low stock prices will affect the demand and supply of the shares concerned. The lower the interest of investors to invest their capital, the stock price in the company will also tend to decrease.
Debt to Equity Ratio (DER)

Debt to Equity Ratio (DER) is a ratio that shows the extent to which own capital guarantees all debt. This ratio can also be read as a comparison between outside party funds and company owner funds (Hantono, 2018:12).

According to Fransiskus Paskalis Abi (2016: 73) the definition of shares as a sign of a person’s or party's capital participation (business entity) in a company or limited liability company. By including this capital, the party has a claim on the company's income, claims on company assets, and is entitled to attend the general meeting of shareholders (GMS) (Paskalis Abi, 2016:17). So shares are proof of company ownership and the rights of investors to the company that issued the shares.

Bapepam-LK Regulation Number II.K1 Year 2009, regarding criteria and issuance of a list of sharia securities must meet the following financial ratios:

1) Total interest-based debt compared to total assets of not more than 82%.

2) Total interest income and other non-halal income compared to total operating income (revenue) and other income is not more than 10%.

Fatwa No. 40/DSN-MUI/X/2003, Chapter IV, Article 3 and Article 4, sharia shares are proof of ownership of a company that meets the criteria for type of business, goods, services provided and contracts as well as how to manage the issuer company or company. Public issuing sharia securities must not conflict with sharia principles, and does not include shares that have special rights.

The share price is a piece of paper that explains that the owner of the paper is the owner of the shares (regardless of the portion/amount) of a company that issues the paper (shares). A share has a value or price. According to Widoatmodjo (2000) in (Musdalifah Aziz et.al. 2015:81-82) stock prices can be distinguished as follows: Nominal Price, Prime Price and Market price.

Some of the previous studies include Catarina Putri Mariska Isyani (2015) who conducted a study entitled "The Effect of Return On Investment (ROI) and Earning Per Share on the company's stock price-
by taking into account the Perceived Risk of shares as a moderating variable (Studies on manufacturing companies listed on the Stock Exchange) Indonesia in 2013-2016). The results of this study indicate that Return On Investment (ROI) and Earning Per Share (EPS) have a positive and significant effect on stock prices.

Meanwhile, Reynard Valintino and Lana Sulatro (2017) towards Stock Prices of Manufacturing Companies in the Goods and Consumption Industry Sector on the Indonesia Stock Exchange”. The results of the study show that in a partial test, Current Ratio (CR), Return On Equity (ROE) and Earning Per Share (EPS) have a partially significant effect on stock prices and EPS has the most dominant influence. While the variables Return On Assets (ROA) and Debt To Equity Ratio (DER) partially have no effect on stock prices.

Hangga Pradika Mujiono and Prijati (2017) the results of this study indicate that the Current Ratio (CR), Return On Investment (ROI), and Earning Per Share (EPS) have a significant effect on stock prices and ROI has a dominant influence. While the Debt To Equity Ratio (DER) has a negative and insignificant effect on stock prices.

Meanwhile, Thomas Lauda (2018) the results of this study indicate that partially Return On Assets (ROA) and Earning Per Share (EPS), Price Earning Ratio (PER) and Economic Value Added (EVA) have a positive and significant effect on stock prices. While- the Debt To Equity Ratio (DER) has a negative and insignificant effect on stock prices.

Setiani, suharti, and nurhayati (2022) conducted a study entitled "The Effect of Return On Investment (ROI), Debt To Equity Ratio (DER), and Earning Per Share (EPS) on stock prices in listed metal and mineral mining sub-sector companies. on the Indonesian Stock Exchange in the 2013-2019 period. The results of this study indicate that the ROA, DER, and EPS variables simultaneously have a significant effect on stock prices.

Furthermore, the presentation of the framework in this study uses Return on Investment (ROI), Debt to Equity Ratio (DER), Earning Per Share (EPS) as the independent variable, and stock price as the dependent variable.
To find out whether stock prices on the IDX are influenced by Return On Investment (ROI), Debt To Equity Ratio (DER), and Earning Per Share (EPS) it is necessary to formulate a hypothesis. The hypothesis is a temporary answer to a problem that is still presumptive because it still has to be proven true.

**METHODOLOGY**

The object of this study is to analyze the effect of Return on Investment (ROI), Debt to Equity Ratio (DER) and Earning Per Share (EPS) on stock prices and the subjects to be studied in this study are manufacturing companies in the sub-sector of goods and consumption listed on the stock exchange. Indonesian Stock Exchange (IDX) for the 2016-2020 period. Data retrieval is carried out on the Indonesia Stock Exchange (IDX) through the internet via www.idx.co.id for 3 months effective.
This type of research is quantitative research using the method of Explanatory Research approach. Explanatory Research is an explanatory research that highlights the causal relationship between research variables and tests the hypotheses that have been formulated previously (Pandoyo and Sofyan, 2018: 96). In this research, the explanatory type is used to find out how the influence between variables is through hypothesis testing.

**Population and Sample**

According to Santoso (2015: 46) "Population is the whole or set of objects with the same characteristics". The population is a collection of all elements that will be drawn conclusions. According to Asra and Presetyo (2015) in Pandoyo and Sofyan (2018:173) Population is a collection of observation units that are the object of research in a survey research.

Population is a group of people, events or things that have certain characteristics. Population members are called population elements. Determination of the population is different from the unit of analysis. The unit of analysis can be at the individual, group or organizational level. If the unit of analysis is an individual, then the data population will determine who and how many individuals will be researched.

The population used in this study is all 34 manufacturing companies in the Goods and Consumption industrial sector that publish their financial reports on the Indonesia Stock Exchange (IDX) in the 2016-2020 period. The sample is part of the population that will be taken and used for research. The sampling method used in this research is the purposive sampling method. Purposive Sampling method is a method of taking research samples by taking into account certain criteria based on the research objectives. The criteria used in this study are:


2) Companies that issue complete and audited financial statements as of December 31 for 2016-2020.

3) There is no loss in the financial statements.

4) Companies that have all the complete data.
Table 1. Sample Data

<table>
<thead>
<tr>
<th>No.</th>
<th>Issued (Emiten) Code</th>
<th>Company Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>CEKA</td>
<td>PT. Wilmar Cahaya Indonesia Tbk.</td>
</tr>
<tr>
<td>2.</td>
<td>KLBF</td>
<td>PT. Kalbe Farma Tbk.</td>
</tr>
<tr>
<td>3.</td>
<td>MLBI</td>
<td>PT. Multi Bintang Indonesia Tbk.</td>
</tr>
<tr>
<td>4.</td>
<td>MYOR</td>
<td>PT. Mayora Indah Tbk.</td>
</tr>
<tr>
<td>5.</td>
<td>ROTI</td>
<td>PT. Nippon Indosari Corpindo Tbk.</td>
</tr>
</tbody>
</table>

Operational definition

In this study, the operational definition is a definition based on the observable properties of the thing defined and can be used to clarify and sharpen the scope of the research, or the construct of the variable to be studied.

*Return on Investment (ROI)*

Return on Investment (ROI) is a ratio to measure the company's ability to earn a return on the assets used. The higher the ROI number, the more attractive investors will be to invest in the company. The more supply and demand for shares, it will affect the stock price.

*Debt to Equity Ratio (DER)*

Debt to Equity Ratio (DER) is a ratio used to compare the amount of debt to the total Equity of the Company. The higher the DER number will affect the stock price.

*Earnings Per Share (EPS)*

Earning Per Share (EPS) is income per share whose profits will later be given to the relevant shareholders. The price per share can be interpreted as a description of the amount of money or nominal obtained from the company.
**Data collection technique**

This study uses secondary data. This study uses data sources that come from companies listed on the Indonesia Stock Exchange (IDX) in 2016-2020 as for the types of data needed:

1. Annual financial reports of manufacturing companies in the goods and consumption industry sub-sector from 2016-2020 which can be downloaded from the Indonesia Stock Exchange (IDX) website.


**Method of collecting data**

a. Literature review.

In this study, researchers examine theories obtained from literature, articles, journals and the results of previous studies so that researchers can understand the literature related to the research concerned.

b. Secondary Data

In this study, researchers collected data on an annual basis for the 2016-2020 period through published financial reports.

**Data analysis**

The data analysis technique in this study uses time series data and cross section data so that it uses panel data regression techniques with the help of eviuws software. The steps of data analysis in this study are as follows:

**Classic assumption test**

This classical assumption test aims to test whether the regression model used in this study is worth testing or not. The classical assumption test in this study is as follows.

According to Ghozali (2013) in the book Pandoyo and Sofyan (2018:222) the normality test aims to determine whether each variable is normally distributed or not. The normality test is needed because it is used to perform tests of other variables by assuming that the residual value follows a normal distribution. If this assumption is violated then the statistical test becomes invalid and parametric statistics cannot be used.
Normality test can be done one of them by using the Jarque-Bera method. The Jarque-Bera statistic value is based on chi-squares. The residual is said to have a normal distribution if Jarque Bera > Chi square-or probability (p-value) > = 5%. The test criteria are:

1) H0: Jarque-Bera > Chi square, p-value < 5%, data is not normally distributed.

2) H1: Jarque-Bera < Chi square, p-value > 5%, data is normally distributed.

To detect the presence or absence of multicollinearity in the regression model, it can be done by looking at the tolerance value and the Variance Inflation Factor (VIF) value, with the basis of reference as follows:

1) If the tolerance value is > 10 percent and the VIF value is < 10, it can be concluded that there is no multicollinearity between the independent variables in the regression model.

2) If the tolerance value is < 10 percent and the VIF value is > 10, it can be concluded that there is multicollinearity between the independent variables in the regression model.

**Hypothesis Testing**

The t test is used to see the significant level of the independent variables individually in influencing the variation of the dependent variable. The t-test can be done by looking at tcount compared to ttable, it can be concluded that H0 was rejected, which means H1 was accepted so that there was a relationship between the independent variable and the dependent variable individually (Pandoyo and Sofyan, 2018:263). If the prob value. tcount is smaller than the error rate (α) 0.05, it can be said that the independent variable has a significant effect on the dependent variable, whereas if prob. Large tcount of the error rate (α) 0.05 then it can be said that the independent variable has no significant effect on the dependent variable.

The F statistic test aims to find out whether the independent variables simultaneously (simultaneously) affect the dependent variable. The level used is 0.05 or 5% if the F value <0.05, it can be interpreted that the independent variable simultaneously affects the dependent variable or vice versa. The provisions of the F test are as follows:
1. If the significant value of $F < 0.05$ then $H_0$ is rejected and $H_1$ is accepted. That is, all independent/independent variables have a significant effect on the dependent/bound variable.

2. If the significant value of $F > 0.05$ then $H_1$ is rejected and $H_0$ is accepted. That is, all independent/independent variables do not have a significant effect on the dependent/bound variable. According to Ghozali (2013) in the book Pandoyo and Sofyan (2018:267) the coefficient of determination ($R^2$) essentially measures how far the model's ability to explain variations in independent variables is. The value of the coefficient of determination is between zero and one.

The small value of $R^2$ means that the ability of the independent variables in explaining the variation of the dependent variable is very limited. A value close to one means that the independent variables provide almost all the information needed to predict the variation of the dependent variable.

**RESULTS AND DISCUSSION**

**Object of Research**

In this chapter, the researcher will discuss the results of the research conducted after the data processing stages are carried out so that the problem model can be analyzed further. The analysis and data processing in this study used five (5) samples of manufacturing companies in the goods and consumption sector listed on the Indonesia Stock Exchange, which publish annual financial reports for the period 2015-2019.

The aim is to analyze the effect of Return On Investment (ROI), Debt to Equity (DER), Earning Per Share (EPS) as independent variables on stock prices as the dependent variable used in this study. These variables were selected in the study based on previous research and also the theoretical relationship between the independent variables and the dependent variable.

**Description of Research Data.**

*Return On Investment (ROI).*

ROI is used to measure the effectiveness of the company in generating profits by utilizing its assets. ROI is a form of profitability ratio to measure the company's ability to generate profits by using the-
total assets that exist after the costs of capital (cost of capital used to fund assets). If the ROI value increases, it shows that the company is able to provide profits for shareholders. And vice versa if the value of ROI decreases, it shows that the company is not able to provide benefits to shareholders.

The following is the return on investment data during the research.

**Table 2. 2016-2020 ROI Data Recapitulation**

<table>
<thead>
<tr>
<th>No.</th>
<th>Code</th>
<th>Return On Investment</th>
<th>average</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td>1</td>
<td>CEKA</td>
<td>17.51</td>
<td>7.71</td>
</tr>
<tr>
<td>2</td>
<td>MLBI</td>
<td>43.17</td>
<td>52.67</td>
</tr>
<tr>
<td>3</td>
<td>MYOR</td>
<td>1.075</td>
<td>1.093</td>
</tr>
<tr>
<td>4</td>
<td>ROTI</td>
<td>958</td>
<td>297</td>
</tr>
<tr>
<td>5</td>
<td>KLBEF</td>
<td>15.44</td>
<td>14.76</td>
</tr>
</tbody>
</table>

Based on the table above, it shows that in 2016, 2017, 2018 and 2019 MLBI Companies had the highest ROI values of 43.17%, 52.67% 42.50%, and 41.67%. And the lowest ROI value was owned by CEKA company in 2017 and 2018 with the amount of 7.71% and 7.93%, respectively. Then, those with the highest and lowest average ROI values during the 2016-2020 period were MLBI and ROTI companies with an ROI of 37.97% and 4.86%, respectively.

**Debt To Equity Ratio (DER).**

DER is used to describe whether the company is able to meet all of its financial obligations if the company is liquidated. DER shows the extent to which the company’s ability to pay debts using its own capital. The smaller this ratio, the better because it can ease the interest burden-
imposed so that the profits obtained by the company are not too burdened and the distribution of dividends to shareholders is greater. The following is the debt to equity ratio data during the study.

**Table 3. 2016-2020 DER Data Recapitulation**

<table>
<thead>
<tr>
<th>No</th>
<th>Code</th>
<th>Debt To Equity Ratio</th>
<th>average</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td>1</td>
<td>CEKA</td>
<td>60.60</td>
<td>54.22</td>
</tr>
<tr>
<td>2</td>
<td>MLBI</td>
<td>17.72</td>
<td>13.57</td>
</tr>
<tr>
<td>3</td>
<td>MYOR</td>
<td>10.62</td>
<td>10.28</td>
</tr>
<tr>
<td>4</td>
<td>ROTI</td>
<td>10.237</td>
<td>61.68</td>
</tr>
<tr>
<td>5</td>
<td>KLBEF</td>
<td>22.16</td>
<td>19.59</td>
</tr>
</tbody>
</table>

Based on the table, it shows that in 2016, CEKA company had the highest DER value of 60.60%, but in 2017-2018 CEKA's DER value decreased by 54.22%, and 19.69%. This shows that the CEKA company is unable to pay its debts. And the lowest DER values were found in MYOR companies in 2016-2019 of 10.62%, 10.28%, 10.59%, and 9.23%. This shows that the MLBI company is able to pay its debts. Then, those who have the highest and lowest DER average values during the 2016-2020 period namely MYOR and KLBEF companies with DER of 96.55% and 21.03%, respectively.

**Earnings Per Share (EPS).**

Earning Per Share (EPS) is used to analyze the level of profitability of companies that use conventional earnings. The EPS value can show how much the company's profit is compared to the weighted average number of shares outstanding (Hendrata, 2018: 27). One of the reasons investors buy shares is to get dividends, if the value of earnings per share is small, the company is less likely to pay dividends. It can be said that investors will prefer stocks that have high earnings per share compared to stocks that have low earnings per share. Because low EPS values tend to make stock prices go down. The following is the earnings per share data during the research period:
Based on the table, it can be seen that the highest EPS value during the 2016-2020 period is the CEKA company in 2020 of Rp. 305.57. While the lowest EPS value during the 2016-2020 period was the MLBI company in 2020 of Rp. 13.56. Then, those with the highest and lowest average values during the 2016-2020 period were CEKA and ROTI companies with EPS values of 284.72% and 31.89%, respectively.

**Stock Price**

Stock price is one indicator of company management. The success of a company in generating profits that will provide satisfaction for rational shareholders. A fairly high stock price will provide benefits, namely in the form of dividends and a better image for the company, making it easier for management to obtained from investors and potential investors. Share prices may change at any time. If there is a lot of demand, the stock price tends to rise. The following is stock price data during research:

Based on the table, it can be seen that the highest EPS value during the 2016-2020 period is the CEKA company in 2020 of Rp. 305.57. While the lowest EPS value during the 2016-2020 period was the MLBI company in 2020 of Rp. 13.56. Then, those with the highest and lowest average values during the 2016-2020 period were CEKA and ROTI companies with EPS values of 284.72% and 31.89%, respectively.

**Table 4. 2016-2020 EPS Data Recapitulation**

<table>
<thead>
<tr>
<th>No</th>
<th>Code</th>
<th>Earning Per Share</th>
<th>average</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td>1</td>
<td>CEKA</td>
<td>41.966</td>
<td>18.054</td>
</tr>
<tr>
<td>2</td>
<td>MLBI</td>
<td>46.613</td>
<td>62.746</td>
</tr>
<tr>
<td>3</td>
<td>MYOR</td>
<td>60.60</td>
<td>72.94</td>
</tr>
<tr>
<td>4</td>
<td>ROTI</td>
<td>55.31</td>
<td>27.66</td>
</tr>
<tr>
<td>5</td>
<td>KLBE</td>
<td>49.06</td>
<td>51.28</td>
</tr>
</tbody>
</table>

**Table 5. 2016-2020 Stock Price Data Recapitulation**

<table>
<thead>
<tr>
<th>No</th>
<th>Code</th>
<th>Stock Price / Rp.</th>
<th>average</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td>1</td>
<td>CEKA</td>
<td>1.350</td>
<td>1.290</td>
</tr>
<tr>
<td>3</td>
<td>MYOR</td>
<td>1.645</td>
<td>2.020</td>
</tr>
<tr>
<td>4</td>
<td>ROTI</td>
<td>1.600</td>
<td>1.275</td>
</tr>
<tr>
<td>5</td>
<td>KLBE</td>
<td>1.515</td>
<td>1.690</td>
</tr>
</tbody>
</table>
Based on the table above shows that in 2016, 2017, 2018 and 2019 the MLBI company had the highest share price of Rp. 11,750, Rp. 13,67, Rp. 16,000 and Rp. 15,400, and the lowest share price was found in the CEKA company in 2017 of Rp. 1,290. Then, those with the highest and lowest average ROI values during the 2015-2019 period were MLBI and CEKA companies with ROI of 13.285% and 1.224%, respectively.

**Descriptive Statistical Analysis**

Descriptive statistical analysis was conducted to obtain a general picture of the overall sample data used in this study by describing the mean, median, minimum, maximum and standard deviation values of each variable.

The study uses the variables Return On Investment (ROI), Debt to Equity (DER), Earning Per Share (EPS) as the independent variable, and stock price as the dependent variable. The results of the descriptive statistical analysis carried out in this study can be seen in the following table.

**Table 6. Descriptive Results**

<table>
<thead>
<tr>
<th>Stock Price</th>
<th>ROI</th>
<th>DER</th>
<th>EPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>3980.000</td>
<td>15.84320</td>
<td>135.4576</td>
</tr>
<tr>
<td>Median</td>
<td>1645.000</td>
<td>10.93000</td>
<td>60.60000</td>
</tr>
<tr>
<td>Maximum</td>
<td>16000.00</td>
<td>52.67000</td>
<td>1772.000</td>
</tr>
<tr>
<td>Minimum</td>
<td>1200.000</td>
<td>2.890000</td>
<td>18.64000</td>
</tr>
<tr>
<td>Std. Dev.</td>
<td>4878.651</td>
<td>13.64579</td>
<td>343.6609</td>
</tr>
<tr>
<td>Skewness</td>
<td>1.641388</td>
<td>1.620197</td>
<td>4.575924</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>3.947450</td>
<td>4.322106</td>
<td>22.32579</td>
</tr>
<tr>
<td>Jarque-Bera</td>
<td>12.16071</td>
<td>12.75846</td>
<td>476.2943</td>
</tr>
<tr>
<td>Probability</td>
<td>0.002287</td>
<td>0.001696</td>
<td>0.000000</td>
</tr>
<tr>
<td>Sum</td>
<td>99500.00</td>
<td>396.0800</td>
<td>3386.440</td>
</tr>
<tr>
<td>Sum Sq. Dev.</td>
<td>5.71E+08</td>
<td>4468.982</td>
<td>2834468.</td>
</tr>
<tr>
<td>Observations</td>
<td>25</td>
<td>25</td>
<td>25</td>
</tr>
</tbody>
</table>
In the table above, it is known from the ROI variable that the minimum value for the CEKA company in 2016 was 2,890,000, the maximum for the MYOR company during the period was 52,67000 and the mean was 15.84320. The minimum value of the DER variable for the MYOR company in 2019 is 18,64000, the maximum value for the CEKA company is 1772,000, and the mean value is 135,4576.

The minimum EPS variable for MLBI companies in 2020 is 13,56000, the maximum for CEKA companies in 2020 is 419,6600. and the mean value is 99.48080. The minimum share price for the CEKA company in 2017 is 1200,000, the maximum for the MLBI company during the 2016-2019 period is 160,000, and the mean value is 3980,000 with a total of 25 data.

**Classic Assumption Test Results**

*Normality test*

Normality test to determine whether each variable is normally distributed or not. normality test can be seen as follows:

**Table 7. Normality Test Result**

![Graph showing normality test results]

Based on the results of the data after processing, it can be seen that the probability value is 0.592759 <0.05. Then H1 is accepted (data is normally distributed).
Multicollinearity Test

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient Variance</th>
<th>Uncentered VIF</th>
<th>Centered VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>64959.64</td>
<td>3.381719</td>
<td>NA</td>
</tr>
<tr>
<td>ROI</td>
<td>1401.618</td>
<td>3.135655</td>
<td>1.304344</td>
</tr>
<tr>
<td>DER</td>
<td>2.247971</td>
<td>1.541652</td>
<td>1.326833</td>
</tr>
<tr>
<td>EPS</td>
<td>17.76562</td>
<td>1.934988</td>
<td>1.019710</td>
</tr>
</tbody>
</table>

Table 8. Multicollinearity Test Result

Based on the results of the multicollinearity test in table, it is explained that the VIF value at ROI 1.304344 DER 1.326833 and EPS 1.019710 from the three variables is not greater than 10 or 5. So it can be concluded that the research data is free from multicollinearity between the independent variables in this study.

Hypothesis Test Results

Partially Significant Test Results (t-test)

The t-statistical test aims to determine the significance of the partial effect between the independent variables, namely Return On Investment (ROI), Debt To Equity Ratio (DER), and Earning Per Share (EPS) on the dependent variable, namely stock prices. This test was conducted to find the greatest influence between the independent variables on the dependent variable. Here are the partial test results:

Table 9. Partially Test Results (t-test)
Based on the table above, the following results are obtained:

1) The results show that the probability value of ROI is $0.0001 < 0.05$ and t-statistic is $(5.047907) > t_{table} (1.71714)$, then $H_1$ is accepted and $H_0$ is rejected, which states that partially Return On Investment (ROI) has a positive and significant effect on stock price.

2) The results show that the probability value of DER is $0.0060 < 0.05$ and t-statistic is $(-3.137173) < t_{table} (1.71714)$, then $H_1$ is accepted and $H_0$ is rejected, which states that partially Debt To Equity Ratio (DER) has a positive effect and significant to stock prices.

3) The results show that the probability value of EPS is $0.3776 < 0.05$ and t-statistics $(-0.906062) < (1.71714)$, then $H_1$ is rejected and $H_0$ is accepted, which states that partially Earning Per Share (EPS) has no effect and does not significant to stock prices.

**Simultaneous Test Results (F Test)**

F-statistic statistical test aims to find out whether the independent variables, namely ROA, DER and EPS simultaneously (simultaneously) affect the dependent variable, namely Stock Price. This test is carried out to find out whether the independent variable affects the dependent variable together.

| Prob(F-Statistic) | 0.000000 |

Based on the table shows that the value of Prob (F-Statistic) $0.000000 < 0.05$, then $H_1$ is accepted and $H_0$ is rejected, which states that simultaneously ROA, DER and EPS variables affect stock prices.

**Coefficient of Determination Test Results**

If $R^2$ is getting bigger (closer to one), it can be said that the influence of the independent variable is large on the dependent variable. This means that the model used is getting stronger to explain the effect of the independent variable on the dependent variable.

$R^2$ is getting smaller (close to zero), it can be said that the influence of the independent variable is smaller on the dependent variable. This shows that the model used is not strong enough to explain the effect of the independent variables studied on the dependent variable.
The following are the results of the coefficient of determination:

**Table 11. Coefficient of Determination Test Results**

| Adjusted R-squared | 0.975955 |

Based on the table above, it is known that the value of Adjusted R² = 0.977025. This value can be interpreted that the variables Return On Investment (ROI), Debt To Equity (DER), and Earning Per Share (EPS) affect the stock price by 97.59%, while the remaining 2.41% is influenced by other factors.

**CONCLUSION AND RECOMMENDATION**

**Conclusion**

Based on the results of the analysis that has been done, it can be concluded as follows:

1) Partially Return On Investment (ROI) has an influence on stock prices, it is shown that the probability value is 0.0001 < 0.05 and t-statistic is (5.047907) > t-table (1.71714), so it can be concluded that Return On Investment (ROI) has a positive effect and significant to stock prices in manufacturing companies in the goods and consumption sector listed on the Indonesia Stock Exchange for the 2016-2020 period.

2) Partially Debt To Equity Ratio (DER) has a negative and significant effect on stock prices, it is shown that the probability value is 0.0060 < 0.05 and t-statistic is (-3.137173) > t-table (1.71714), so it can be concluded that Debt To Equity Ratio (DER) has a negative and significant effect on stock prices in manufacturing companies in the goods and consumption sector listed on the Indonesia Stock Exchange for the 2016-2020 period.

3) Partially Earning Per Share (EPS) has no effect and is significant on stock prices, it is shown that the probability value is 0.3776 < 0.05 and t-statistic is (-0.906062) < (1.71714), so it can be concluded that Earning Per Share (EPS) has no and significant effect on stock prices in manufacturing companies listed on the Indonesia Stock Exchange for the 2016-2020 period.

4) Simultaneously Return On Investment (ROI), Debt To Equity Ratio
(DER) and Earning Per Share (EPS) affect stock prices in manufacturing companies in the goods and consumption sector for the 2016-2020 period).

Recommendation

Based on the conclusions above, the suggestions delivered are as follows: (1) For the Company. It is hoped that the results of this study can provide consideration and input for the company in carrying out policies that can affect changes in the company's stock price. (2) For Investors. It is hoped that the results of this study can help identify stock prices, so that investors can make decisions to buy shares in companies based on considerations of Return On Investment (ROI), Debt To Equity Ratio (DER), and Earning Per Share (EPS) of the company. (3) For Researchers. For further researchers, it can increase the time span of research observations and increase the number of samples so as to get conclusions and a wider scope. In addition, further researchers are advised to add variables that have the potential to affect stock prices.

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