Effect of Earnings Per Share, Current Ratio And Return On Equity On Share Price In Property And Real Estate Companies Listed On The Indonesia Stock Exchange In 2018-2021

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PAPER INFO	ABSTRACT
	The purposes of this study are To find out and analyze the effect of Earning Per Share (EPS), Current Ratio (CR), and Return On Equity (ROE) on stock prices in property and real estate companies on the Indonesia Stock Exchange. *The technique of collecting research data is through financial data, while the number of samples used is 32 financial data. The sampling technique used a purposive sampling method with a non-random sampling technique. The test instruments used to test the research instruments are the normality test, multicollinearity test, heteroscedasticity test, autocorrelation test, and multiple linear regression test. Hypothesis testing was carried out using a t-test, f-test, and coefficient of determination (R2).* *The results showed that the earnings per share variable had a significant effect on stock prices in property and real estate companies of 0,938, with a significance of 0.000, and the t-count value of 15,403 was greater than t-table 2.045. The current ratio variable has no effect on stock prices in property and real estate companies of 0,091, with a significance of 0,134, the tcount value of 1,544 is smaller than 2.045. The return on equity variable has a significant and significant effect on stock prices in property and real estate companies of 0,111, with a significance of 0.000, the value of count -2,302 is more significant than 2.045. Earnings per share, current ratio, and return on equity variables have a significant effect on stock prices simultaneously in property and real estate companies with a significance value of 0.000 and a Fount value of 149,030 which is greater than F table 2.95.*
KEYWORDS	

INTRODUCTION

The rapid development of the economy today, causes people to be able to carry out economic transactions easily through various means. One of them is investment activities carried out through the capital market (Saraswati 2020). The capital market brings together parties who have excess funds and parties who need funds through long-term instruments such as stocks. Shares are securities that are traded in the capital market as proof of ownership of a company. Shareholders in a company also own part of the company (Sunardi and Permana 2019). Stocks are one of the alternative investments for investors. Stock investment has an attraction for investors because investors have hopes of obtaining capital returns or high stock dividends. Investors who invest their funds in securities, are interested in current and future profits and the stability of the profits to be obtained (Prihatin 2009). In making stock transactions in the capital market, investors must be careful in making a decision, be it the decision to buy, sell or maintain the shares (Partomuan 2021).

The ratio used in this study is the Profitability and Liquidity Ratio. The first ratio used is Earning Per Share (EPS). Earnings per share is a ratio to measure management's success in achieving profits for shareholders. The second ratio, namely the current ratio, is a ratio to measure the company's ability to meet its short-term obligations. The third ratio, namely return

on equity, is a measure of profitability ratio that shows how percent of net profit is when measured by the owner's capital.

The following is data on stock prices in 9 Property and Real Estate companies listed on the Indonesia Stock Exchange from 2018 to 2021.

Table 1
Development of Share Prices of Property and Real Estate Companies

No	stock code	Company Name	Share Price				Average
			2018	2019	2020	2021	
1	BSDE	Bumi Serpong Damai Tbk.	1255	1255	1225	1010	**1186**
2	CTRA	Ciputra Development Tbk.	1010	1040	985	970	**1001**
3	DILD	Intiland Development Tbk.	308	260	220	156	**236**
4	DUTI	Duta Pertiwi Tbk.	4390	5000	3800	3390	**4145**
5	JRPT	Jaya Real Property Tbk.	740	600	600	520	**615**
6	PPRO	PP Properti Tbk.	117	68	94	58	**84**
7	PWON	Pakuwon Jati Tbk.	620	570	510	464	**541**
8	SMRA	Summarecon Agung Tbk.	805	1005	780	865	**864**
		Average	1156	1225	1027	929	1084

Table 1 above can be seen that in December 2021, seven of the eight property and real estate companies listed on the Indonesia Stock Exchange experienced a decline. One stock rose, namely PT. Summarecon Agung Tbk (SMRA) which experienced an increase of 9.8% at a price of IDR 865 / share from a price of IDR 780 / share in December 2020. Meanwhile, the most depressed stock is PT. Pembangunan Perumahan Tbk (PPRO) with a very significant decrease reached 39% with the last price of IDR 58 / share from the previous price of IDR 98 / share in December 2020.

The company object used in this study is a Property and Real Estate company listed on the Indonesia Stock Exchange in 2018-2021. Property and Real Estate is one of the investment alternatives that are in demand by investors where investment in this sector is a long-term investment and property is a multipurpose asset that can be used by companies as collateral, therefore Property and Real Estate companies have a high capital structure (Pratiwi, Miftahuddin, and Amelia 2020).

METHOD
Population and Sample

The population in this study is Property and Real Estate Companies listed on the Indonesia Stock Exchange (IDX) in 2018-2021 as many as 60 companies. With the sampling technique that will be used in this study, namely using the purposive sampling technique (non-random sample). Purposive sampling is one of the non-random sampling techniques where researchers determine sampling by determining special characteristics that are in accordance with the research objectives so that they are expected to answer research problems (Onwuegbuzie and Leech 2007). With the aim of obtaining a representative sample in accordance with the specified criteria. The criteria used as a sample are: 1). Property and Real Estate Companies listed on the Indonesia Stock Exchange during 2018 - 2021. 2). Property and Real Estate Companies that publish financial statements that have been audited consecutively

in 2018 – 2021 obtained from the Indonesia Stock Exchange and Yahoo Finance through an online website. 3). Property and Real Estate Companies with total assets of 10 Trillion or more in 2018 – 2021. 4) Companies that did not suffer losses during 2018-2021.

RESULTS AND DISCUSSION

Effect of Earnings Per Share on Stock Price

Based on the results of the t test, a regression coefficient value of 0.938 was obtained with a significant value of $0.000 < 0.05$ and a calculated value of $15.403 >$ a ttabel of 2.045. That is, Ho is rejected and H1 is accepted, which shows that Earnings Per Share has a positive effect on Stock Prices in property and real estate companies.

This is in accordance with the theory and hypothesis that Earnings per Share is a company's ability to distribute the income earned to its shareholders (Kusuma and Priantinah 2012). The higher the company's ability to distribute income to its shareholders, reflecting the greater the success of the business it undertakes. Earnings Per Share describes the profitability of a company that is directly depicted on each share. Earning Per Share has a positive influence. The higher the Earning Per Share, the higher the investor's interest in investing because the greater the profit obtained by shareholders and the possibility of an increase in the amount of dividends.

The results of the study stated that the results of Earning Per Share had an effect and were significant on the stock price. This supports or is in line with the research of (Sudarsono and Safitri 2018), Bungatang Tahir (2020) (Sulistiawati and Sjahruddin 2020) and (Zulkarnain and Djamereng 2021) which collects that Earning Per Share has an effect and is significant on Stock Price.

Effect of Current Ratio on Stock Price

Based on the results of the t test, a regression coefficient value of 0.091 was obtained with a significant value of $0.134 > 0.05$ and a calculated value of $1.544 <$ a ttabel of 2.045. That is, H0 is accepted and H2 is rejected, which indicates that the Current Ratio has no effect on the Share Price of property and real estate companies.

This is because liquidity is a ratio that describes the company's ability to settle obligations in the short term, but it is not necessarily able to provide a large profit, making investors less interested in information about a company's liquidity. Another thing can be caused by an increase in the company's total debt, which indicates that the situation is not good for the company because the higher the risk borne and the lower the funding provided by the owner. The increase in total debt occurred due to the large number of company loans to outside parties. That way it will make investors not interested in companies that have high levels of debt because they have the potential to generate high risks as well.

The results of the study stated that the current ratio result has no effect on the stock price. This supports the research of Research gap (Pratiwi et al. 2020) and (Partomuan 2021) which concluded that the Current Ratio has no effect on the Stock Price.

Effect of Return On Equity on Stock Price

Based on the results of the t test, a regression coefficient value of -0.111 was obtained with a significant value of $0.029 < 0.05$ and a calculated value of $-2.302 >$ a ttabel of 2.045. That is, Ho is rejected and H3 is accepted, which shows that Return On Equity has an effect and is significant on share prices in property and real estate companies. This happens because ROE only indicates the amount of return on investment made by ordinary shareholders, but does not describe the company's prospects so that the market does not respond too much to the size of ROE as a consideration for the investment to be made by investors.

The high ROE value is not necessarily due to the company's high profits, but it can be caused by the company's total equity being relatively low compared to the company's debt. Debts that are too large can endanger the owner of capital if the company is unable to pay off the debt and interest. Such conditions are of course not liked by investors, thus affecting investors' interest in investing their shares in the company.

The results of the study stated that the return on equity results had a significant effect on stock prices. This is in line with the research of (Soekotjo 2020), (Ambarwati, Enas, and Lestari 2019), (Zulkarnain and Djamereng 2021), (Kartiko and Rachmi 2021), which collects the influence of Return On Equity on Stock Price.

Effect of Earning Per Share, Current Ratio and Return On Equity on Stock Price

Based on the results of the statistical test F from the variables Earning Per Sahre, Current Ratio and Return On Equity obtained a significant value of 0.00 and a calculated F value of 149,090 with a Ftabel value of 2.59. That is, the Fhitung value of 149,090 > Ftabel 2.95 with a significant test of 0.00 < 0.05, indicates that the independent variable has an influence on the Stock Price, then Ho is rejected and H4 is accepted.

The results of this study are in line with the research of (Soekotjo 2020), (Nurlia and Juwari 2019), (Demor, Van Rate, and Baramuli 2021) that Earning Per Share, Current Ratio and Return On Equity have a simultaneous and significant influence on stock prices. So the author can conclude that there is a compatibility between the research results and previous theories, opinions and research, namely the influence of Earning Per Share (EPS), Current Ratio (CR) and Return On Equity (ROE) together on the share price of Property and Real Estate Companies listed on the Indonesia Stock Exchange for the 2018-2021 period.

CONCLUSION

Based on the results of the research analysis of the effect of Earning Per Share, Current Ratio and Return On Equity on Stock Prices in Property and Real Estate Companies for the 2018-2021 period, it can be concluded as follows:

1). From the results of the t test, it shows that there is an influence between the Earning Per Share (X1) variable and the calculated value of 15,403 on the Share Price (Y) in property and real estate companies listed on the Indonesia Stock Exchange because the calculation value of the ttabel > is 15,403 > 2,045. 2). From the results of the t test, it shows that there is a significant influence between the Curent Ratio (X2) variable and the calculated value of 1.544 on the Share Price (Y) in property and real estate companies listed on the Indonesia Stock Exchange because the ttabel < calculation value is 1,544 < 2,045. 3). From the test results, it shows that there is an influence between the variable Return On Equity (X3) and the calculated value of -2,302 on the Share Price (Y) in property and real estate companies listed on the Indonesia Stock Exchange because the calculated value of the ttabel > is -2,302 > 2,045.

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