

Financial Effect On Stock Price Based Chemistry and Industry Listed in Indonesia Stock Exchange Year 2014-2016

Yuliyantina Safitri¹, Siti Nurlaela², Kartika Hendra³

Batik Surakarta Islamic University, JL. Kh. Agus Salim No. 10, Surakarta, Indonesia
e-mail: Yuliantina@gmail.com

Abstract: This study aimed to determine the effect of the financial performance of the stock price on the company and basic chemical industry listed in Indonesia Stock Exchange either partially or simultaneously. Samples taken as many as 11 companies in the period 2014-2016. The type of data in this study using secondary data from the financial statements. The independent variable in this study is the DAR, ROA, CR, and EPS. As for the dependent variable in this study is the stock price. The data collection technique using purposive sampling method. The data in this study using multiple regression analysis. The first results of this study from the calculation of DAR, ROA, and CR simultaneously no significant effect on stock prices. While the EPS of the most dominant variable influence on the company's stock price base and chemical industry.

Keywords: [DAR, ROA, CR, EPS, Price Stocks]

1. INTRODUCTION

Capital Market Law No. 8, 1995, the capital market is concerned with the activities of the public offering, securities trading, and public companies related to securities. A healthy company is a company that is able to fulfill the obligations of financial and operational activities can be done with a stable. Alternative investment to the capital market for investors, now owners of capital to invest their funds in the stock market, either in the form of stocks, bonds or other securities.

Capital market acts as a liaison between investors and trading companies through long-term instruments such as stocks, bonds, and other securities. One perjual in securities traded on the stock market were shares. (Arowana, 2010: 240) in the journal ign Suganda adipalguna 2016. The share price is one influence the company's success, and to be one measure of the value of the company.

If the increase in the company's stock price, then the investor believes

that the company succeeded in managing its business. investor confidence is very useful for companies, as more and more people who believe in listed companies, hence the desire to invest is getting stronger. The more demand for the issuer's shares and can increase the stock price. Conversely, if the stock price goes down then the value of listed companies in the eyes of investors also declined. (Aditya, Renda, Yuli; 2014)

Investors also need to be active to search on share price development where it became one of the considerations for deciding whether to buy or sell a company's stock by analyzing conditions in order to be able to do investment in benefits. investors have confidence risk

Expectations of the company's shares. This initial conviction based on information available to the public, including the market price of the company's net profit. The financial performance of an analysis done to see the extent to which the company has been organized using the rules - financial rules practice, so that the company's performance is a reflection of the

financial condition of a company in the analysis with the tools of financial analysis, that can be known about either a negative financial status, a company that reflects the achievement of performance within a specified period. Fahmi (2011: 2)

The financial performance is also a reflection of the high to the low stock value. The importance of increasing the company's stock price so investors interested in investing in the shares of the company, thus the need for the company's financial performance that can help companies better. financial performance can be resized using financial ratios including the Debt to Total Assets Ratio (DAR), return on assets (ROA), the Current Ratio (CR), Earning Per Share (EPS).

The existence of the problem, encourage researchers to conduct more tests what are the factors that affect stock prices. By developing previous studies and differences in the study sample was basic and chemical industry are listing in BEI, with research from the year 2014 to 2016. In this study, the authors wanted to do research with the title " the effect of the financial performance of the stock price in Chemistry and industrial companies listed on the Indonesia Stock Exchange 2014-2016 "

2. METHODOLOGY

The data used in this research is secondary data from the official website of Indonesia Stock Exchange. wholly chemical and industrial companies listed on stock exchanges in Indonesia during 2014-2016.

3. DATA ANALYSIS METHOD

3.1 Test Descriptive

Descriptive statistics is the method associated with the

collection and presentation of data clusters that provide useful information. Classification into descriptive statistics and statistical inference is based on activities performed.

3.2 Classical Assumption Test

Assumptions of classical regression model testing is required before testing the hypothesis. This test consists of test normality, multikolinearitas test, autocorrelation test, and heteroskedastisitas test.

3.3 Regression Analysis

This analysis is used to predict how the dependent variable state when the number of independent variables more than one.

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + e$$

Description:

Y = variable (Y)

a = the number of constants

B₁, b₂ = a line NNW

X₁ = the independent variable (X₁)

X₂ = the independent variable (X₂)

X₃ = the independent variable (X₃)

X₄ = the independent variable (X₄)

X₅ = independent variable (X₅)

e = Error

3.4 Uji T

This test was conducted to determine the effect of each independent variable or part of the DAR, ROA, EPS CR and the stock price at companies listed on the Stock Exchange 2012-2016 period.

3.5 Uji Feasibility Model

The significance of multiple correlation coefficient can use the following formula:

$$F = \frac{R^2 (n - m - 1)}{m (1 - R^2)}$$

further consult with F_{table} based on a significance level of 5%. If F_{hitung} less than F_{tabel} then there is no significant effect between the independent variable dependent variable.

3.6 Determination Koefisien

Test coefficient of determination (R^2) will be conducted to determine how much ability variables independent in explaining the dependent variable. To find out how much the ability of independent variables can be found based on the adjusted value of the square r adjusted r -square value, generally ranges from 0 to 1.

4. RESULTS AND DISCUSSION

4.1 Model regression

Regression analysis used in this research is double linear regression. Multiple regression analysis was conducted to test the effect of two or more independent variables on the dependent variable (Ghozali, 2016),

Table 1 Multiple Linear Regression Testing

	coefficient	thitung	sig
constants	7726.907	2726	0011
DAR	-9096.784	-2215	0035
ROA	9659.001	0838	0409
CR	-553 336	-2441	0021
EPS	0019	2463	0020

Source: Data, 2017

4.2 Uji Hypothesis Feasibility Models

This test was conducted to determine the effect of each independent variable or part of the DAR, ROA, EPS CR and the stock price at the base and chemical industry.

Table 2. Results of Feasibility Model

variable	t	ttabel	Sig.	Description
DAR	-2215	2.0484	0035	not accepted
ROA	0838	2.0484	0409	not accepted
CR	-2441	2.0484	0021	not accepted
EPS	2463	2.0484	0020	accepted

Source: Data, 2017

Based on the testing that was done, the results of this study indicate that:

- Tcount from the calculation of the regression model above is equal to -2215 smaller than ttabel 2.0484 ($t = -2215 < t_{table} = 2.0484$) with sig 0.035 < 0.05 , then H_0 is accepted and H_a rejected meaning DAR has no significant effect on stock prices.
- Tcount from the calculation of the above regression model for 0838 is smaller than ttabel 2.0484 ($t = 0838 < t_{table} = 2.0484$) with sig 0.409 > 0.05 , then H_0 is rejected and H_a accepted means ROA no significant effect on stock prices.
- Tcount from the calculation of the regression model above is equal to -2441 smaller than ttabel 2.0484 ($t = -2441 < t_{table} = 2.0484$) with sig 0.021 < 0.05 , then H_0 is rejected and H_a accepted means CR no significant effect on stock prices.
- Tcount from the calculation of the regression model above is equal to 2,463 bigger than ttabel 2.0484 ($t = 2,463 > t_{table} = 2.0484$) with sig 0.020 > 0.05 , then H_0 is rejected and H_a accepted means EPS significantly influence stock prices.

4.3 Uji F

The significance of multiple correlation coefficient can use the following formula:

$$F = \frac{R^2 (n - m - 1)}{m (1 - R^2)}$$

It is further consulted with F_{table} based on a significance level of 5%. If F_{hitung} less than F_{table} then there is no significant effect between the independent variable dependent variable.

Table 3 Test Results F

variable	Fhit	Ftabel	Sig.	result
DAR, ROA, CR, EPS	3,104	2.71	0031	Influence

Source: Data, 2017

The test results showed that the value of $F_{hitung} >$ count table (3.104 > 2.71) and the significance < 0.05 (0.05 < 0.031), so that it can be concluded that H_0 is rejected, while H_a is received, which means that the DAR, ROA, CR, and EPS effect on stock prices.

4.4 Koefisien Determination

Test coefficient of determination (R^2) will be conducted to determine how much ability of independent variables in explaining the dependent variable. To find out how much the ability of independent variables can be found based on the adjusted value of the square r adjusted r -square value, generally ranges from 0 to 1.

Table 4 Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. error Estimate
1	0554	0307	0208	635.19081

Source: Data, 2017

The value of Adjusted R Square is 0.307, or by 30.7%. This means that 30.7% of the stock price, can be explained by the independent variables DAR, ROA, CR, EPS, while the remaining 69.3% (100% - 30.7%) is explained by variables other than the explanatory variables or independent variables outside the model These researchers.

5. DISCUSSION

5.1 DAR ratio influence on stock prices.

Based on the testing that was done by using linear regression analysis, obtained DAR (X_1) has no effect on stock prices. It is seen from the DAR t count > t table and significance, where H_0 rejected H_1 accepted sedangan. Meaning DAR and significant negative effect on stock prices. Thus the first hypothesis of this study was rejected. This study is in line with previous research by Sardiyati (2016), which prove that the DAR significant in affecting stock prices. This study differs from peneilitan Sardiyati where DAR significant effect on stock prices.

For the investor who wants to invest in the sectors of basic and chemical industry to pay attention to Debt To Total Assets Ratio in berinvestasinya.

5.2 ROA influence on stock prices.

Based on the testing that was done, the results of this study indicate that ROA has no effect on stock prices. It is seen from the ROA value $t <$ t table and significance, meaning that H_0 is accepted while H_2 is rejected. Meaning ROA and significant negative effect on stock prices.

Companies that have a higher ROA shows the company's performance is getting better, and the more efficient use of assets by the company for all operating so that will maximize profits. Big profits will attract investors because the company has a higher rate of return, thus increasing the company's value will give hope rising prices of shares in the company. The results of this study differs from previous research by L, Rivaldo (2016), which prove that the ROA significant in affecting stock prices. For the investor who wants to invest in the sectors of basic and chemical industry to pay attention to return on assets known to have no effect on stock prices and the chemical industry sector basis.

Influences CR ratio of stock prices. Based on the testing that was done, the results of this study indicate that the effects of CR stock prices. This is evident from the level of CR VALUEy count > t table (-2441 < 2.0484) and significance < 0.05 (0.021 < 0.05), which means that H0 is accepted while H3 is rejected. This means that the negative effects and CR significantly influence stock prices. Suganda line research study (2016) in which the CR does not significantly affect the stock price.

EPS ratio influence on stock prices. Based on the testing that was done, the results of this study indicate that the EPS effect on stock prices. It is seen from the level of EPS larger t value t table and the significance is less than zero point five, meaning that H0 is rejected while the H4 is accepted. That is EPS positive and significant effect on stock prices. This study is consistent with research (Sunaryo ;, 2011), (Trisnawati, Mamik,

2015) wherein the ratio EPS significantly influence stock prices. This ratio indicates the ability of the company to achieve a net profit earmarked for shareholders based on stock investing.

6. CONCLUSIONS

The purpose of this study was to determine the effect of the DAR, ROA, CR, EPS on stock prices either partially or simultaneously. This study was conducted on 12 companies listed on the Indonesian stock exchange in the period from 2014 to 2016.

A descriptive analysis of the results showed that the ratio of DAR, ROA, CR, EPS showed an average positive which companies, including liquids.

acyl hypothesis 1 shows that the ratio of stock price to DAR which means low debt indicators tend to drive up stock prices.

The result of hypothesis 2 shows that ROA positive and significant impact on stock prices, which means the company has a high ROA ratio indicates that the company's performance better. The company's value increases will give the stock price increases the company's expectations.

Results hypothesis CR 3 shows that the ratio of positive and significant effect on the price of the stock the stock means this implies an increase or decrease of the stock price increases.

The result of the hypothesis that the EPS ratio 4 shows a positive and significant effect on stock prices

7. ACKNOWLEDGEMENTS

Thanks to Dra. Siti Nurlaela, SE., MSi., Akt., CA as the supervisor 1 and Ms. Kartika Hendra Titisari, SE, M.Si, Ak, CA, CSRS as supervisor 2 who have taken the time and with patience give guidance and direction very helpful.

8. REFERENES

- Adipalguna, IG Sudangga et al ;. (2016). Effect of Liquidity, Solvency, Activities, Provitabilitas and Assessment Company Market Share Price LQ45. Vol.5 Unud Management Journal, 12 ISSN 2302-8912.
- Aditya, Renda Yuli;. (2014). Effect of Financial PERFORMANCE ON Against Cigarette Company Shares prices on the Indonesia Stock Exchange. Journal Vol.3 No. 5.
- fred weston, Kashmir. (2008). Financial Statement Analysis. Jakarta.
- Ichsan, Randhy. (2013). Islam, Economics, Auditing. Indonesia:
- Luhukay, Rivaldo et al ;. (2016). Financial Performance influence on stock prices at tobacco company listed on the Stock Exchange.
- Marfuah, Safitri Ana; Nurlaela, Siti;. (July 2017). Influence of company size, Asset Growth, Profitability and Sales Growth Against the capital structure of the Company's cosmetic and household in the Indonesia Stock Exchange. Taxes and Tax accounting journal, No.01.
- Meythi, et al. (2011). The Effect Of Liquidity And Profitability price Manufacturing Company Shares Listed on the Indonesia Stock Exchange. Business management and Economics Journal, vol.10 No.2, ISSN 1693-8305.
- Melawati; Nurlaela, Siti; Whyuningsih, Endang Masitoh;. (2016). Effect of Corperate Good Governance, Corporate Social The response bility, and the size of the Company's Performance Against Company. IENACO, ISSN: 2337-4349.
- Sardiyati. (2016). Financial Performance Against influence the price of Company Shares Sub-Sector Eat And Drink In Indonesia Stock Exchange. ISSN 2355-5408.
- Sari, Devita Ivanda; Subroto, Hendro; Nurlaela, Siti;. (2016). Effect of Good Corporate Governance Financial Performance Against Corporate Real Estate & Property. ISBN 978-979-1230-36-0.
- Sunaryo ;. (2011). Analysis of the influence of ROA, ROE, EPS on stock prices.
- Trisnawati, Mamik. (2015). Analysis of Effect of Current Ratio (CR), Debt To Equity Ratio (DER), Return on Equity (ROE), Net Profit Margin (NPM), Earning Per Share Share Price.