THE INFLUENCE OF FINANCIAL PERFORMANCE ON STOCK PRICES IN THE PROPERTY SECTOR AVAILABLE ON THE INDONESIAN STOCK EXCHANGE

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Abstract

The aim of this research is to determine the effect of financial performance on share prices in the property sector listed on the IDX. The population in this research is property sector companies listed on the Indonesia Stock Exchange (BEI), with a sample of 12 companies. This research was conducted using quantitative methods with the variables used in this research being Financial Ratios which are proxied by Current Ratio (CR), Return On Assets (ROA), Price Earning Ratio (PER), and Debt Equity Ratio (DER). The data analysis techniques used in this research are the classical assumption test, multiple linear regression analysis, hypothesis testing with partial tests (t tests) and determination tests with the help of SPSS software. The results of this research show that the Current Ratio (CR) has a positive and significant effect on the share prices of property companies listed on the Indonesia Stock Exchange (BEI) for the 2018-2022 period. Which means that the level of a company's ability to fulfill all its short-term obligations has a positive and significant effect on share prices, Return On Assets (ROA) has a positive and significant effect on the share prices of listed property companies (BEI) for the 2018-2022 period. Which means that the return on assets of a company has a positive and significant effect on share prices, the Price Earning Ratio (PER) has a positive and significant effect on the share prices of property companies listed on the Indonesia Stock Exchange (BEI) for the 2018-2022 period. Which means PER has increased in share prices. And the Debt Equity Ratio (DER) has no effect on the share prices of property companies listed on the Indonesia Stock Exchange (BEI) for the 2018-2022 period. Which means that the level of a company's ability to use owner's capital has no effect on share prices.

Keywords: Financial Ratios and Share Prices

INTRODUCTION

The economic situation in Indonesia in the investment sector in the property sector continues to increase from year to year. This is due to the increase in per capita income which is followed by the increasing level of purchasing power of the community due to public awareness of the importance of investing for the long term. Investors often try hard to choose investments in the property sector that can promise profits even though there are various risk factors. The capital market is a place for companies in the property sector to offer securities to investors.

The capital market is a place where financial instruments are available that can be traded, where sellers and buyers interact with people who need funds and who invest their funds in companies registered on the Indonesian capital market, better known as the Indonesian Stock Exchange (Herlinawati, 2023). The aim of a company joining the capital market is to attract investors to invest capital in the form of investment for the progress of a company. Companies registered on the Indonesian capital market or the Indonesian Stock Exchange (BEI) are required to provide company information to the public in terms of profits, products, activities, and even the performance of the company itself.

Shares are proof of ownership of a person who invests capital in a company so that the person has the right to the wealth and income of a company from their investment. Shares are an investment instrument that has been chosen by many investors because they can provide large levels of profit (capital gain) or what is known as high risk, high return, meaning that shares that

can provide large profits have the potential for large risks as well. An investor who wants to buy shares early needs to make an assessment of the share price of a company. Share price is an important indicator to determine whether a share is worthy of investment or not. Share prices can also describe how high the value of a company is. How good or not a company's share price is can be seen in the financial reports that have been announced by the company or issuer listed on the Indonesia Stock Exchange. The share price also reflects whether the company's performance is good or not.

One of the sectors on the Indonesia Stock Exchange (BEI) is the property sector. The property sector is one sector that continues to experience development because its activities are related to the main needs of every person. This sector is considered very good in the long term because it operates in the construction and development sector. This sector receives a lot of workers and can have a positive impact on the economic development of Indonesia

Previous research was conducted by Hendaryan and Ramadhan (2018). Showing that return on assets (ROA) has a positive effect on stock prices, the ROA variable has a positive effect on stock prices because it can attract investors to invest in shares and can be followed by using the share price of a company which also increases.

Previous research conducted by Adnyana and Lambang (2021). Shows that the DER variable has a positive and significant effect on stock prices. A high DER also shows that the greater use of debt to finance a company and the company's dependence on external parties, this can lead to reduced shareholder rights and can make investors less interested in buying shares.

Based on the explanation above and looking at the phenomenon of financial performance and share prices that occur in the property sector. So the author is interested in researching this problem with the title "The Influence of Financial Performance on Share Prices in the Property Sector on the IDX"

Based on the background description, the problems in this research will be as follows:
Do Current Ratio (CR), Return On Assets (ROA), Price Earning Ratio (PER), and Debt To Equity Ratio (DER) have a significant and significant effect on share prices in the property sector on the Indonesia Stock Exchange (BEI) in 2018 -2022.
Based on the problem formulation that has been prepared, the aim of this research is to find out: The influence of Current Ratio (CR), Return On Assets (ROA), Price Earning Ratio (PER), and Debt To Equity Ratio (DER) on share prices in the property sector on the IDX in 2018-2022.

RESEARCH METHODS

Type of Research

This research uses quantitative research in the form of descriptive research. Quantitative research is a method for measuring theories by examining the relationships between variables. The aim of this research is that we can determine the effect of financial performance on share prices in the property sector listed on the IDX by using propulation and samples, collecting data using research instruments, quantitative/descriptive data analysis with the aim of testing the hypotheses that have been determined

RESULTS AND DISCUSSION

Data Presentation (Research Results)

Table 1. *Current Ratio* (CR)

No	Kode	*Current Ratio* (CR)				
		2018	**2019**	**2020**	**2021**	**2022**
1.	ASRI	0,16	0,22	0,18	0,24	0,03
2.	BCIP	0,52	0,90	0,85	0,79	0,87
3.	BEST	1,30	1,35	1,41	1,43	1,48
4.	CSIS	0,45	0,28	1,65	1,79	1,79
5.	CTRA	0,91	0,98	0,95	1,03	1,12
6.	DUTI	3,76	3,83	3,19	3,26	2,43
7.	GPRA	2,96	2,64	2,16	2,13	2,35
8.	JRPT	0,98	1,03	1,16	0,94	0,98
9.	POLL	0,44	0,42	0,52	0,51	0,53
10.	RDTX	2,55	1,08	1,31	1,81	1,68
11.	SMDM	1,46	1,55	1,66	1,96	2,48
12.	URBN	2,99	1,58	1,23	1,16	1,10
Rata - rata		3,69	3,17	3,25	3,41	3,37

Table 2. *Return On Asset* (ROA)

No	Kode	*Return On Asset* (ROA)				
		2018	**2019**	**2020**	**2021**	**2022**
1.	ASRI	0,46	0,46	0,48	0,07	0,49
2.	BCIP	0,28	0,26	0,12	0,02	0,18
3.	BEST	0,67	0,59	0,18	0,12	0,06
4.	CSIS	0,73	0,16	0,06	0,19	0,22
5.	CTRA	0,35	0,32	0,34	0,43	0,44
6.	DUTI	0,72	0,80	0,39	0,43	0,48
7.	GPRA	0,24	0,29	0,17	0,43	0,29
8.	JRPT	0,98	0,91	0,81	0,65	0,70
9.	POLL	0,20	0,12	0,04	0,16	0,99
10.	RDTX	0,16	0,83	0,79	0,62	0,80
11.	SMDM	0,11	0,08	0,00	0,31	0,48
12.	URBN	0,28	0,07	0,22	0,17	0,03
Rata-rata		1,04	0,98	0,72	0,72	1,03

Table 3. *Price Earning Ratio* (PER)

No	Kode	Price Earning Ratio (PER)				
		2018	2019	2020	2021	2022
1.	ASRI	7,21	3,85	3,67	19,84	2,93
2.	BCIP	2,82	3,23	6,82	82,61	7,49
3.	BEST	5,98	4,24	11,81	14,25	41,71
4.	CSIS	19,98	14,16	24,78	13,98	7,13
5.	CTRA	15,23	14,43	12,67	9,31	9,65
6.	DUTI	8,91	8,37	13,07	9,81	11,63
7.	GPRA	12,23	5,77	8,47	6,19	5,66
8.	JRPT	7,72	7,23	7,26	8,72	7,51
9.	POLL	163,65	1675,95	1381,12	230,66	388,68
10.	RDTX	5,52	5,89	5,58	9,61	11,84
11.	SMDM	23,41	22,77	528,35	7,88	5,96
12.	URBN	62,18	344,76	15,94	21,55	35,16
Rata - rata		66,97	422,13	403,91	104,88	107,07

Table 4.Debt Equity Ratio (DER)

No	Kode	Debt Equity Ratio (DER)				
		2018	2019	2020	2021	2022
1.	ASRI	0,18	0,24	0,23	0,32	0,34
2.	BCIP	0,05	0,90	0,88	0,78	0,79
3.	BEST	0,66	0,58	0,62	0,58	0,59
4.	CSIS	0,39	0,36	1,66	1,49	1,36
5.	CTRA	0,97	1,02	0,01	1,13	1,13
6.	DUTI	0,60	0,63	0,58	0,72	0,75
7.	GPRA	1,24	1,33	1,38	1,26	1,200
8.	JRPT	0,57	0,51	0,46	0,44	0,42
9.	POLL	0,58	0,64	1,94	2,09	0,01
10.	RDTX	0,23	0,12	0,11	0,16	0,23
11.	SMDM	0,35	0,35	0,35	0,37	0,39
12.	URBN	1,500	2,37	1,09	1,17	1,22
Rata – rata		1,46	1,81	1,86	2,10	1,68

Table 5.Stock Price

No	Kode	Stock Price				
		2018	2019	2020	2021	2022
1.	ASRI	356	198	192	147	162
2.	BCIP	97	50	54	76	69
3.	BEST	262	167	141	105	146
4.	CSIS	454	80	57	106	66
5.	CTRA	975	895	900	875	975
6.	DUTI	4390	4990	3770	3500	4700
7.	GPRA	106	66	59	75	100
8.	JRPT	580	535	540	496	488
9.	POLL	1535	10525	3950	865	206
10.	RDTX	5500	5100	4900	7000	11925
11.	SMDM	165	120	99	167	204
12.	URBN	1920	1810	492	484	131
Rata-rata		3.27	4.91	15.15	2.80	3.83

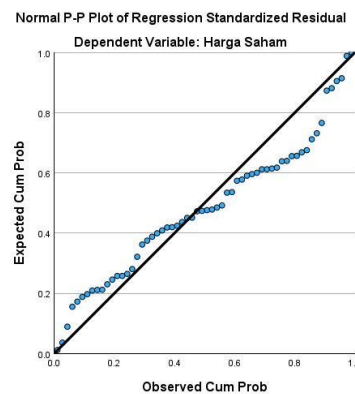Classic Assumption Test

Normality Test

Figure 1 : Normality Test

Based on the Normal P –P Plot of Regression Standardized Residual data above, it can be seen that the plotting data (dots) are not far apart and not spread out but follow a diagonal line so it can be concluded that the residual values are normally distributed.

Multicollinearity Test

Table 6. Multicollinearity Test

	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
model				t	Sig		
	B	Std.Eror	Beta			Tolerance	VIF
1 (Constant)	-880.747	767.100		-1.148	.256		
CR	1028.246	294.944	.372	3.486	<.001	.860	1.163
ROA	28934.441	10374.823	.328	2.789	.007	.708	1.412
PER	5.232	.923	.599	5.666	<.001	.876	1.141
DER	-934.326	565.506	-.197	-1.652	.104	.687	1.455

Based on the output results of the Coefficients table above, it is known that the tolerance values for the variables Current Ratio (0.860), Return on Assets (0.708), Price to Earnings Ratio (0.876), and Debt to Equity Ratio (0.687) are greater than 0.10. Meanwhile, the VIF values of the variables Current Ratio (1.163), Return on Assets (1.412), Price to Earnings Ratio (1.141), and Debt to Equity Ratio (1.455) are smaller than 10.00. Referring to the basis of decision making for the multicollinearity test, it can be concluded that there are no symptoms of multicollinearity.

Autocorrelation Test

Table 7. Autocorrelation Test

Model Summary[b]					
model	R	R Square	Adjusted R Square	Std.Eror of the Estimate	Durbin-Waston
1.	.852[a]	.725	.705	1369.644	2.250
a. Predictors : (Constant), DER , ROA, CR, PER					
b. Despendent Variable : Harga Saham					

The "Model Summary" output table above shows the Durbin-Watson (d) value is 2.250. Next, we will compare this value with the Watson Durbin table value at a significance of 5%. The number of variables "k"=4 while the number of samples "N"=60, then (k;N)=(4;60). We then look at this number in the Durbin Watson distribution table. So we get a "dU" value of 1.727. So the Durbin-Watson value is greater than "dU" and smaller than (4-dU) or dU=1.727<d=2.250>(4-dU)=3.273. As is the basis for taking the Watson Durbin test, it can be concluded that there is no autocorrelation.
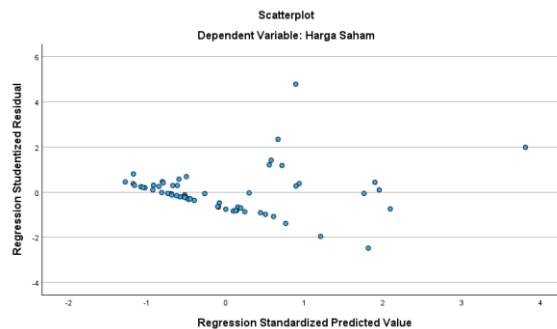
Heteroskedastisitas Test

Figure 2 : Heteroskedastisitas Test

Based on the Scatterplot output above, it can be seen that the data points are spread below and above or around the number 0, not gathered only above or below, the distribution of the points does not form a wavy pattern, widening, then narrowing. Based on these results, heteroscedasticity does not occur.

Table 8. Multiple Linear Regression Analaysis

	Coefficientsᵃ						
	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
model				t	Sig		
	B	Std.Eror	Beta			Tolerance	VIF
1 (Constant)	-880.747	767.100		-1.148	.256		
CR	1028.246	294.944	.372	3.486	<.001	.860	1.163
ROA	28934.441	10374.823	.328	2.789	.007	.708	1.412
PER	5.232	.923	.599	5.666	<.001	.876	1.141
DER	-934.326	565.506	-.197	-1.652	.104	.687	1.455

Y= - 880.747+1028.246X1+28934.441X2+5.232x3-934.326x4

Based on the output of the "Coefficients" table above, the following are the results of the t test carried out:

The significance value (Sig) of the Current Ratio (CR) variable is <0.001, smaller than 0.05, which means H1 is accepted. Based on these results, it can be concluded that the Current Ratio (CR) has a significant effect on share prices (Y)

The significance value (Sig) of Return on Assets (ROA) is 0.007, smaller than 0.05, which means H2 is accepted. Based on these results, it can be concluded that Return on Assets (ROA) has a significant effect on share prices (Y)

The significance value (Sig) Price to Earning Ratio (PER) is <0.001, smaller than 0.05, which means H3 is accepted. Based on these results, it can be concluded that the Price to Earnings Ratio (PER) has a significant effect on share prices (Y)

The significance value (Sig) of Debt to Equity Ratio (DER) is 0.104, greater than 0.05, which means H4 is rejected. Based on these results, it can be concluded that the Debt to Equity Ratio (DER) does not have a significant effect on share prices (Y)

Simultaneous F Test

Table 9. Simultaneous F Test

	Anovaa				
model	Sum of Squares	df	Mean Square	F	Sig
1 Regresion	173007428.30	4	43251857.076	11.756	<.001b
Residual	202354773.63	55	3679177.702		
Total	375362201.93	59			
a. dependent variable : Harga saham					
b. predictors : (Constant),DER, CR, PER, DER					

Based on the "ANOVA" table above, it is known that the Sig. smaller than 0.05 and the Fcount value of 11.756 is smaller than Ftable, which is 2.53. Based on this, it can be concluded that simultaneously the Current Ratio (CR), Return on Assets (ROA), Price to Earnings Ratio (PER), and Debt to Equity Ratio (DER) influence stock prices.

Coefficient of Determination (R Square)

Table 10. Coefficient of Determination (R Square)

model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Waston
Model Summary[b]					
1	.852a	.725	.705	1369.644	2.250
a. Predictors : (Constant), DER,ROA,CR,PER					
b. Dependent Variable : Harga Saham					

Based on the "Model summary" table above, it is known that the R Square value is 0.725, which means the simultaneous influence of Current Ratio (CR), Return on Assets (ROA), Price to Earnings Ratio (PER), and Debt to Equity Ratio (DER) on share price (Y) of 72.5%. Meanwhile, the remainder (100%-72.5%=27.5%) is influenced by other variables not examined in this study.

Discussion

a. Current Ratio (CR) to share price

The results of this research show that the Current Ratio has a positive and significant effect on stock prices. This can be seen from the results of the t test on the Current Ratio which has a significant value of <0.001, smaller than 0.05, which means that Hypothesis 1 is accepted and leads in a positive direction based on the results of the SPSS output test listed on the Indonesia Stock Exchange from 2018 to 2022 .

If the Current Ratio decreases, the share price in the property sector will rise. Vice versa, if the Current Ratio increases, the share price will fall.

The results of this research support previous research conducted by Suryana and WIdjaja (2019) which found that the Current Ratio (CR) has a positive and significant influence on stock prices. The results of this research show that if the value of the Current Ratio (CR) is higher, it will have an effect on increasing prices in a company.

b. Return On Assets (ROA) on share prices

In the results of this research, Return on Assets (ROA) has a positive and significant effect on stock prices. It can be seen from the results of the t test on Return on Assets (ROA) which has a significant value of 0.007, which is smaller than 0.05, which means that Hypothesis 2 is accepted based on the results of the SPSS output test in the property sector listed on the Indonesia Stock Exchange for the 2018-2022 period.

If the ROA value increases, it is considered that a company has used its assets effectively to earn profits. High profits will attract the attention of investors. The greater the demand for a company's shares, the higher the company's share price in the property sector will be.

The results of this research provide support for previous research conducted by Christanti (2009) whose results show that ROA has a positive and significant effect on stock prices

c. Price Earning Ratio (PER) to share prices

In the results of this research, the Price Earning Ratio (PER) has a positive and significant effect on stock prices. This can be seen from the results of the t test on the Price Earning Ratio which has a significant value of <0.001, smaller than 0.05, which means Hypothesis 3 is accepted.

PER shows the amount of funds spent by investors to make a profit. The results of this research show that investors pay attention to PER before investing. The higher the PER, the more interested investors will be in investing their capital in the company, so that the share price will increase.

The results of this research are in line with previous research conducted by Dita (2013) and Ademola et al., (2016) that PER has a positive and significant effect on stock prices.

d. Debt to Equity Ratio (DER) to share prices

The results of this research state that the DER variable has no effect on stock prices. This can be seen from the t test results of 0.104, greater than 0.05, which means Hypothesis 4 is rejected.

This condition states that the size of the DER variable value has no effect on share prices if a company has a good track record of paying off debt. Companies must be able to manage their debt so that it can be used effectively and efficiently. In fact, investors do not care about the DER level when investing their investment funds. As a result, the DER variable does not have a significant influence on share prices.

The results of this research are in line with previous research conducted by Andrie et al (2019) which stated that DER had a negative and insignificant effect on stock prices

CONCLUSION

Based on the data analysis that has been carried out, conclusions can be drawn from the research results, namely as follows:

Current Ratio (CR) has a positive and significant effect on the share prices of property sector companies listed on the Indonesia Stock Exchange (BEI) for the 2018-2022 period. Which means that the level of a company's ability to fulfill all its short-term obligations has a positive and significant effect on share prices, Return On Assets (ROA) has a positive and significant effect on share prices in property sector companies listed on the Indonesia Stock Exchange (BEI) for the 2018- 2022. Which means that the return on assets of a company has a positive and significant effect on share prices, the Price Earning Ratio (PER) has a positive and significant effect on share prices in property companies listed on the Indonesia Stock Exchange (BEI) for the 2018-2022 period. This means that PER has increased in share prices and the Debt to Equity Ratio (DER) has a negative and insignificant effect on share prices in property companies listed on the Indonesia Stock Exchange (BEI) for the 2018-2022 period. This means that the level of a company's ability to use owner's capital has no effect on share prices.

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