The Effect *Debt To Equity Ratio*, Profitability and *Earning Per Share* Sub-Sector Companies *Food and Beverage* Listed on the Indonesia Stock Exchange for the 2016-2020 period

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Rekam jejak artikel:	Abstract
	"Stock price is the price formed according to demand and supply in the stock buying and selling market and is usually the closing price of the stock market during the observation period for each type of stock that is sampled and its movements are observed by investors." There are factors that influence the stock price, namely *debt to equity ratio*, profitability, and *earnings per share*.
	This study aims to examine the effect of *debt to equity ratio*, profitability, and *earnings per share* on stock prices. The population in this study is the financial statements of manufacturing companies in the *food and beverage* -sector listed on the Indonesia Stock Exchange (IDX) in 2016-2020. The results of this study indicate that the only variable that has a significant effect on stock prices is *earnings per share*. While the variable *debt to equity ratio* and profitability have no significant effect. And simultaneously *debt to equity ratio*, profitability, and *earnings per share* have a significant effect on stock prices.

I. INTRODUCTION

With the development of the Indonesian economy, more and more companies are *going public*. With this, the competition between companies is getting tougher. Companies must be able to compete with other companies by improving the company's performance. By having a good company performance, the company's shares will be more attractive to investors. (Wi & Anggraeni, 2020)

Stock price is the basic thing that is seen by investors to invest. The more investors who are interested in investing in the company, the company's stock price will increase. Investors invest their capital in the company with the aim of obtaining profits in the form of *capital gains* and *dividend yields*. *Capital gains* obtained from the difference between the purchase and sale of the value of shares, and *dividend yields* are obtained from the company's profits which are distributed to shareholders. (Hernawan et al., 2021; Limajatini, 2021; *No Title*, n.d.)

II. LITERATURE REVIEW

Management

(G.R. Terry 2018, 2)states that: Management is a distinctive process consisting of planning, organizing, directing and controlling actions carried out to determine and achieve predetermined targets through the use of human resources and resources. other sources. (Manullang 2018, 2)stated that: Management is the art and science of planning, organizing, compiling, directing, and supervising human resources to achieve the goals that have been set. (Handoko 2015, 11) states that: Management as a field of*science*that seeks systematically to understand why and how humans work together to achieve goals and make this system of cooperation more beneficial to humanity.

Debt to Equity Ratio

(Kasmir 2016, 155) states that: *Debt to Equity Ratio* is the ratio used to assess debt to equity. This ratio is sought by comparing all debt, including current debt with all equity(Tiffany Nata Krisna, Andy, 2021). This ratio is useful for knowing the amount of funds provided by the borrower (creditor) with the owner of the company. (Hery 2016,

143) states that: *Debt to Equity Ratio* is the ratio used to measure the ratio between total debt and total equity. (Chandra, 2019; Melatnebar, 2021; Wi & Anggraeni, 2020; Winata, 2021)

Profitability

(Hery 2016, 104) states that: Profitability is a ratio used to measure a company's ability to generate profits from its normal business activities. (Hanafi & Halim 2016, 81)stated that: Profitability Ratio measures the company's ability to generate profits *(profit)* at a certain level of sales, assets, and share capital.

Based on these definitions, it can be concluded that the notion of Profitability Ratio is the ratio used to measure the company's ability to generate profits(Andy, 2019). The profit generated by the company can come from the sale of products in the form of goods or services as well as profit from investment on investment in other companies.

Earning Per Share

(Kasmir 2017, 207) states that: *Earning Per Share* (EPS) is the net profit distributed to shareholders divided by the number of company shares, the company's profit ratio or also called the book value ratio is a ratio to measure the success of management in achieving profits for shareholders. A low ratio means that management has not succeeded in satisfying shareholders, on the contrary, with a high ratio, the welfare of shareholders increases. (Fahmi 2015, 82) states that: *Earning Per Share* or income per share is a form of giving benefits given to shareholders from each share owned.

Shares

(Fahmi 2015, 80) states that: Shares are proof of surrender of ownership of capital/funds in a company, paper with a clearly stated nominal value, company name and followed by rights and obligations explained to each holder. (Andy 2017, 456) states that: The share price is the company's performance margin that measures the results of managing the company's performance on behalf of shareholders.

Based on the definitions above, it can be concluded that the notion of Stock Price is the price formed according to supply and demand in the stock buying and selling market and is usually the closing price of the stock market during the observation period for each type of stock sampled and its movement is observed by investors. .

III. METHOD

type of research used in this research is quantitative research. (Suryani & Hendryadi 2015, 109)stated that: Quantitative research is research that uses data analysis in the form of numbers.

REGISTER SAMPLE COMPANY

No	Company Name	Issuer Code
1	Delta Djakarta Tbk	DLTA
2	Indofood CBP SuksesMakmurTbk	ICBP
3	Indofood SuksesMakmurTbk	INDF
4	Mayora Indah Tbk	MYOR
5	Siantar Top Tbk	STTP
6	Ultra Jaya Milk Industri& Trading Company Tbk	ULTJ

Data Collection The data

used in this study is secondary data. The technique used to collect data in this research is documentation technique.

NO	VARIABLE	SUB VARIABLE	INDICATORS	SCALE
1.	*Debt to Equity Ratio* (DER)	Total Debt divided by	$\dfrac{\text{Total Equity Debt}}{\text{Equity}}$	Ratio
2.	Profitabilitas	Net Profit divided by Total Assets	Net Profit	Ratio

			Total Assets	
3.	*Earning Per Share* (EPS)	Net Profit divided by total shares outstanding	$\dfrac{\text{Net Profit}}{\text{Value of shares outstanding}}$	Ratio
4.	Share	price divided by earnings per share	$\dfrac{\text{Share Price}}{\text{Earnings per share}}$	Ratio

1. Descriptive Statistics

Data analysis is an activity after data from all respondents is collected. Activities in data analysis are grouping data based on variables and types of respondents, tabulating data based on variables from all respondents, presenting data for each variable studied, and performing calculations to test the proposed hypothesis.descriptive statistical analysis technique in this study was carried out using the SPSS version 25 program

2. Multiple Linear Regression Analysis Test The

multiple linear regression analysis model was chosen because this study was designed to examine the factors that influence the independent variables on the dependent variable, where the independent variables used in this study more than one.

3. Multiple Correlation Analysis

According to (Sugiyono 2017, 233) states that multiple correlation is used for two independent and one dependent variables. The large value of R ranges from 0-1, the closer to 1 means the stronger the relationship and vice versa the value ofwhichapproach0,soconnectionwhichoccurthe moreweak.Followingformulacorrelationdoubletwovariable. The formula used to measure the Multiple Correlation Test with four variables, namely Y, X1, X2, and X3 according to (Hernawan 2019, 199) states that:

$$R_{y}x1x2x3 = \sqrt{\frac{(r_{y}x1)^2 + (r_{y}x3)^2 - 2(r_{y}x1).(r_{y}x2).(r_{y}x3)}{1 - (rx1x2x3)^2}}$$

Information:

Ryx1x2x3   = Correlation between variables X1, X2 and X3 together with variable Y
ryx1   = Correlation between X1 and Y
ryx2   = Correlation between X2 and Y
ryx3   = Correlation between X3 and Y
rx1x2x3   = Correlation between X1, X2, X3 and Y

4. The coefficient of determination (R^2 or R Square)

(Ghozali 2016, 171) states that R^2 is used to determine the magnitude of the variation of the dependent variable that can be explained by the variation of the independent variable, the rest that cannot be explained is part of the variation of other variables that are not included in the model. The coefficient of determination test is determined by the value of R^2. The value of $R2^0$ to 1. If the value of R2 is^1 , it means that the independent variable is able to provide almost all the information needed to predict the dependent variable and vice versa if the value of R2 is^0 it means that the ability of the independent variable to predict the dependent variable is very limited.

5. Classical Assumption

Test This classical assumption test is used to test and determine the feasibility of the regression model used in the study. The classical assumption test in this study consisted of normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test.

6. Hypothesis Testing

a. Partial Test (Test Statistics)

In the book (Ghozali 2016, 173)the t-statistical test of research variables describes how far the influence of one independent variable is in providing information on variations in the dependent variable.

b. Simultaneous Test (Statistical Test F)

This test is used to determine whether the independent variables in this study simultaneously affect the dependent variable

IV. RESULTS

SELECTION STAGE CRITERIA *PURPOSIVE SAMPLING*

NO	CRITERIA	TOTAL
1.	Companies included in the *Food and Beverage* listed on the Stock Exchange Indonesian Securities for the 2016-2020 period.	30
2.	Companies that do not have consistent financial statement data from 2016-2020.	(13)
3.	Companies that suffer losses in 2016-2020.	(11)
	TOTAL SAMPLES	**6**
	TOTAL SAMPLES DURING 2016-2020	**30**

NO	SHARE CODE	COMPANY NAME
1.	DLTA	PT Delta Jakarta Tbk
2.	ICBP	PT Indofood CBP SuksesMakmurTbk
3.	INDF	PT Indofood SuksesMakmurTbk
4.	MYOR	PT Mayora Indah Tbk
5.	STTP	PT Siantar Top Tbk
6.	ULTJ	PT Ultra Jaya Milk Industri& Trading Company Tbk

Descriptive Statistics Test Results

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Debt to Equity Ratio	30	,16	1,06	,5970	,34225
Profitability	30	,05	,22	,1237	,05109
Earning Per Share	30	60,73	996,77	315,5070	234,57681
Share Price	30	,01	,11	,0513	,01925
Valid N (listwise)	30				

Source: SPSS Version 25.

Test Results of Multiple Linear Regression Analysis

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	,012	,019		,642	,526		
	Debt to Equity Ratio	,009	,013	,152	,656	,518	,375	2,669
	Profitabilitas	,128	,089	,339	1,439	,162	,362	2,761
	Earning Per Share	5,826E-5	,000	,710	4,853	,000	,938	1,067

a. Dependent Variable: Harga Saham

Source: SPSS Version 25.

Based on the results of the calculation of the data obtained and then processed with SPSS Version 25 software, a multiple linear regression equation can be formed, namely as follows:

$Y = + \_1 X\_1 + \beta\_2 X\_2 + \beta\_3 X\_3 + \varepsilon$

Stock Price = 0.012 + 0.009 DER + 0.128 ROA + 5.826E-5 EPS + ε

the formation of the multiple linear regression equation, then we can analyze the effect of each independent variable on the dependent variable, namely:

The constant value (α) of 0.012 means if the Debt to Equity Ratio, Profitability, and Earnings Per Share are 0 (zero), then the value of the dependent variable is 0.012.

The regression coefficient value of Debt to Equity Ratio (DER) (X1) of 0.009 means that Debt to Equity Ratio (DER) has a positive relationship to stock prices where every 1% increase in total liabilities compared to total equity will encourage an increase in stock prices of 0.009 with the assumption variables that affect stock prices.

Profitability regression coefficient value (X2) of 0.128 means that profitability has a positive relationship to stock prices where every 1% increase in net income compared to total assets (ROA) will encourage an increase in stock prices of 0.128 with the assumption that variables affect stock prices.

The reference coefficient of Earning Per Share (EPS) (X3) of 6.826E-5 means that Earning Per Share (EPS) has a positive relationship to the stock price where every 1% increase in net income compared to the number of outstanding shares (EPS) will encourage an increase in stock prices. of 6.826E-5 with the assumption of variables that affect the stock price.

Coefficient of Determination Test Results (R2)

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,692^a	,478	,418	,01468

a. Predictors: (Constant), Earning Per Share, Debt to Equity Ratio, Profitability
b. Dependent Variable: Stock Price

Source: SPSS Version 25.

Based on the table above, it can be seen that the result of R2 is 0.478 or 47.8%, this value can be interpreted that the independent variables Debt to Equity Ratio (DER), Profitability and Earning Per Share (EPS) are able to explain 47.8% of the dependent variable Stock Price. While the remaining 52.2% (100% - 47.8%) is influenced by other factors or variables outside of this study.

Normality Test Results

One-Sample Kolmogorov-Smirnov Test

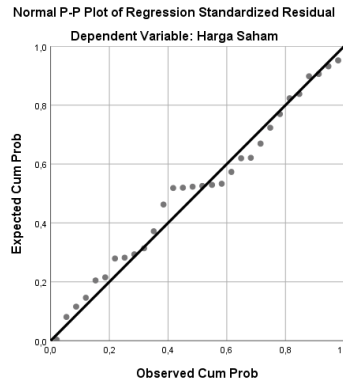|		Unstandardized Residual
N		30
Normal Parameters^{a,b}	Mean	,0000000
	Std. Deviation	,01390293
Most Extreme Differences	Absolute	,120
	Positive	,072
	Negative	-,120
Test Statistic		,120
Asymp. Sig. (2-tailed)		,200^{c,d}

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

Source: SPSS Version 25.

Asymp. Sig. (2-tailed) of 0.200 which means that the residual data is not normally distributed because it has a value less than 0.05 and is declared unfit for use. In addition to the results of the Kolmogrov-Smirnov One Sample statistical analysis whether the data is normal or not, the normality test can also be seen through the Normal PP PLOT Of Regression Standardized Residual

Normal P-P Plot of Regression Standardized Residual
Dependent Variable: Harga Saham

Source: SPSS Version 25.

Based on the figure shows that the P-P PLOT analysis of Standardized Residual Regression shows that the points spread around the diagonal line and follow the direction of the diagonal line, it can be concluded that the residual data is normally distributed and meets the assumption of normality.

Multicollinearity Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	,012	,019		,642	,526		
	Debt to Equity Ratio	,009	,013	,152	,656	,518	,375	2,669
	Profitabilitas	,128	,089	,339	1,439	,162	,362	2,761
	Earning Per Share	5,826E-5	,000	,710	4,853	,000	,938	1,067

 a. Dependent Variable: Harga Saham
Source: SPSS Version 25.

Based on this research table it is free from Multicollinearity because each independent variable has a Tolerance value > 0.1 and VIF < 10. The Tolerance Debt to Equity Ratio (DER) value is 0.375> 0.1, the value Profitability Tolerance is 0.362> 0.1 and Tolerance Earning Per Share (EPS) is 0.938> 0.1. Furthermore, the VIF value on the Debt to Equity Ratio (DER) variable is 2.669 < 10, the VIF value for the Profitability variable is 2.761 < 10 and the VIF Earning Per Share (EPS) value is 1.067 < 10.

Heteroscedasticity Test Results

Scatterplot
Dependent Variable: Harga Saham
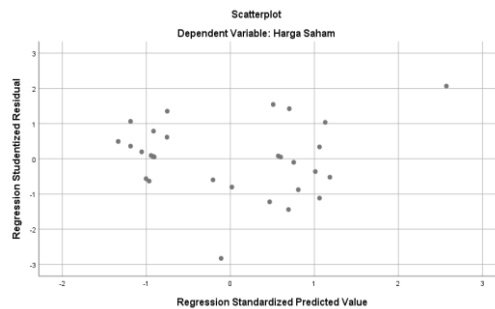
Source: SPSS Version 25.

Based on the picture it can be seen that the data points spread randomly above and below the number 0 (zero) on the Y axis and do not form a certain pattern.

Autocorrelation Test Results

Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,692[a]	,478	,418	,01468	1,447

a. Predictors: (Constant), Earning Per Share, Debt to Equity Ratio, Profitability
b. Dependent Variable: Stock Price
Source: SPSS Version 25.

Based on the results of the table above, it shows that the result of the Durbin-Watson test value is 1.447, where this value is between -2 and +2. So it can be concluded that the research regression model does not have autocorrelation because -2 < 1.447 < 2.

Partial Test Results (Test Statistics t)

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
1	(Constant)	,012	,019		,642	,526		
	Debt to Equity Ratio	,009	,013	,152	,656	,518	,375	2,669
	Profitabilitas	,128	,089	,339	1,439	,162	,362	2,761
	Earning Per Share	5,826E-5	,000	,710	4,853	,000	,938	1,067

a. Dependent Variable: Harga Saham
Source: SPSS Version 25.

Based on the table above, it can be concluded as follows:
   Based on the test results the Debt to Equity Ratio variable has a value of t(table) 2.05183 > t(count)0.656 and a significance level greater than the value 0.05 (0.656 > 0.05).
   Based on the results of the statistical test t Profitability variable has a value of t(table) 2.05183> t(count) 1.439 and the significance level is greater than the value of 0.05 (0.162> 0.05).
   Based on the results of the t statistical test, the Earning Per Share variable has a t value of 2.05183 < t (count) 4.853 and the significance level is greater than the value of 0.05 (0.000 < 0.05).

Simultaneous Test Results (Statistical Test F)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	,005	3	,002	7,949	,001[b]
	Residual	,006	26	,000		
	Total	,011	29			

a. Dependent Variable: Stock Price
b. Predictors: (Constant), Earning Per Share, Debt to Equity Ratio, Profitability
Source: SPSS Version 25.

Based on the table above, it can be concluded that the independent variables namely Debt to Equity Ratio, Profitability and Earning Per Share have an effect simultaneously (simultaneously) on the Stock Price because it has a value of F(table) 2.98 < F(count) 7.949 and has a significance level that is smaller than the value of 0.05 (0.001 < 0.05).

V.   CONCLUSION

Based on the results of the analysis and discussion of the research described previously in chapter IV, the following conclusions can be drawn:
1. Debt to Equity Ratio has a significant effect on stock prices with a significance value of 0.518.
2. Profitability has no significant effect on stock prices with a significance value of 0.162.
3. Earning Per Share has a significant effect on stock prices with a significance of 0.000.
4.   All independent variables have a simultaneous effect on stock prices with a significance level value that is smaller than the value of 0.05 (0.001 <0.05).

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