



---

# Financial Management: Fundamental Factors Against Stock Prices on the Indonesia Stock Exchange

Masno Marjohan

*Department of Management, Pamulang University, Tangerang Selatan, Indonesia*

---

## Abstract

This study aims to analyze internal fundamental factors that affect the share prices of consumer industry companies listed on the Indonesia Stock Exchange against stock prices for the period 2013 – 2022. The population in this study is annual financial statements, while the samples used are balance sheets, financial statements, income statements, financial statements, and other reports for the last 10 years. The methods used are multiple linear regression test analysis, coefficient of determination, partial t-test, and simultaneous F test, using SPSS. The results showed that the adjustment value of the R square coefficient of determination was 0.874, which means that the independent variable affects the dependent variable by 87.4% and the remaining 12.6% is influenced by other variables outside this study. The results of Test F prove that there is a simultaneous influence of fundamental factors on Stock Price, while the results of Test t prove that some fundamental factors on Stock Price have no effect. The recommendation for the next researcher is to add variables, the scope of research is further expanded, and for investors to pay attention to the stock price and value of the Company.

---

## Keywords

financial management; fundamental factors; stock price

---

## INTRODUCTION

The consumption industry sector is a provider of community needs. Stock price trading in the consumption industry sector in 2018 with an average volume of Rp 439.86 million with a value of Rp 589.95 million with a turnover period of 22.14 times. Market realization of the consumption industry sector in 2018 with a value of 1,426,822.4 in millions of rupiah with a percentage of 21.58% (Financial Services Authority, 2018).

Despite the significant negative impact of capital structure on return on assets on fuel companies and the energy sector in Pakistan (Liaqat et al., 2017). Murtado et al. (2014) stated that capital structure and asset turnover have a significant effect on financial performance, while asset structure does not affect financial performance. Pramesti et al., (2016) stated that the variables Debt to Equity Ratio (DER), Total Asset Turn Over, and Company Size have a significant effect on Return on Asset, while the variable Current Ratio does not affect Return On Asset.

Researchers have previously stated that at the same time the current ratio, debt-to-equity ratio, net profit margin, and company size have a significant effect on stock prices.

However, the current ratio, debt-to-equity ratio, and net profit margin do not have a significant effect on the stock price. Adolf Jelly Gleln, Chirikel's view, Siti Dini, (2020).

Meanwhile, different results were found by Mwangi and Birundu (2015) which showed that there was no significant relationship between capital structure and ROA in SMEs in Thika, Kenya. This shows different results that the capital structure measured by DER has no significant effect on financial performance as measured by ROA (Mujariyah, 2016). The results showed that asset structure had a statistically significant effect on financial performance (Gladys and Omagwa, 2017).

While different results were found in Tultik Siswanti (2022) which stated that the Inventory Turnover, Debt to Equity Ratio partially and simultaneously had a positive and significant effect on stock prices, the Timel Intelrelst Elarneld Ratio did not have any impact on stock prices, in contrast to researchers Adolf Jelly Gleln, et al.

PT Indofood Sukses Makmur Tbk (IDX: INDF) better known as Indofood is a producer of various types of food and beverages based in Jakarta, Indonesia. The

company was founded on August 14, 1990, as PT Panganjaya Intikusuma, then on February 5, 1994, changed its name to Indofood Sukses Makmur. The company exports its food ingredients to Australia, Asia and Europe. Over the decades Indofood has transformed into a total food solutions company with operations that cover all stages of the food production process, from the production and processing of raw materials to the final products available on retailers' shelves.

According to the research, investors are interested in Indofood stock because it is the best company in terms of stock performance. The share price movement of PT Indofood Sukses Makmur Tbk (INDF) can be seen in the chart below.

The share price of PT ISM Tbk for the period 2023-2022 in INDF's Sustainability Report shows that the share price increased gradually between the years 2013 and 2022. Despite the massive launch in 2015, INDF managed to stabilize its share price from 2016 to 2019. The improvement in the share price over the past four years has also been driven by INDF's good repeat performance. However, stock prices can go up and down, as can the prices of goods or commodities in the market.

The renewal of this research is to conduct empirical tests on the Effect of Fundamental Financial Report Factors on Stock Prices (Case Study of Food Industry Companies Listed on the Indonesia Stock Exchange) for the period 2013-2022. The difference with previous research lies in the use of variables and independents, the number of samples used, and the research period.

## **LITERATURE REVIEW**

Economic development in the current era of globalization is growing rapidly, making companies need large enough funds to be able to compete and carry out their business activities. To obtain these funds, companies seek them through the capital market which is used as an alternative source of funds for companies. The capital market is a market where sellers and buyers of long-term financial instruments such as stocks, bonds, mutual funds, warrants, and others meet. In the capital market, companies can sell their financial instruments to investors to obtain additional funds, while investors can channel their funds to buy these financial instruments to make a profit. Therefore, the capital market has an important role in a country's economy

and is often used as an indicator to measure the progress of a country's economy, including Indonesia.

The progress of a capital market can be influenced by whether or not a market is efficient. An efficient capital market is a capital market that provides information quickly and easily to investors where the information is reflected in the prices of securities traded in the capital market so that investors do not have to bother looking for information related to these securities. With the efficiency of the capital market, investor confidence will increase due to transparency in the delivery of information, especially if the information is complete, precise, and accurate.

Investors who will invest in the capital market need information, especially those related to the company's financial performance, because information is a basic need for investors. By knowing the company's financial condition, investors can predict how the company's prospects will be in the future, how the price and prospects of the securities to be selected, how much profit the company can provide to investors for the capital they invest, as well as other useful information. Among the various financial instruments traded in the capital market, shares are the most popular financial instrument for investors. Shares are a sign of capital ownership of a person or business entity in a company. Investors are interested in buying stocks because stocks promise large profits to their owners, both in the form of dividends and capital gains. But behind the promised benefits, stocks are also among the financial instruments that contain high risk. This is because the nature of stocks is very sensitive to changes that occur.

Analysis of the company's financial condition is the first step that is often taken by investors when deciding to invest in stocks. Investment decisions are very important for companies because these decisions can affect the amount of capital and financial performance of the company. In analyzing the condition of the company, investors will pay the main attention to the profits they will get. In addition to profits, another thing that investors pay attention to is the stock price. The share price has an important meaning because the share price can affect investor interest and confidence to buy shares as a form of investment in a company.

### **Stock Price**

According to Jogiyanto (2008: 8), the stock price is the price that occurs on the stock

exchange market at a certain time determined by market participants and determined by the demand and supply of the shares concerned in the capital market, the stock price usually indicated at the closing price. The stock price can be used as an indicator to assess the company's success in managing its funds to carry out its business activities. If the company's stock price moves up, then investors consider the company to be successful in managing its business activities. Stock prices always fluctuate. These fluctuations are influenced by the interaction between the demand and supply of shares in the capital market by investors.

This is reinforced by Rusdin (2008: 66) who states that the share price is determined according to the law of supply and demand or the law of bargaining power, the more people who want to buy, the share price tends to rise, on the other hand, the more people who want to sell shares, the share price will move down. This stock movement is an attraction for investors because it can provide opportunities for investors to obtain benefits other than dividends, namely in the form of capital gains. However, investors must still be aware of stock price movements. With the occurrence of stock price movements, investors must realize that not always stock investment will provide profits, sometimes investors will experience losses.

To analyze stock price movements, the way investors can do is by conducting technical analysis and fundamental analysis. Technical analysis is more focused on paying attention to the state of the market and studying stock price charts. Usually technical analysis is used to analyze stock prices in the short term. While fundamental analysis is related to the company's financial condition, these fundamental factors affect stock prices in the long term. As said by Wijayanti (2010) stock prices change (fluctuate) according to the strength of demand (demand) and supply (supply), one of the factors that influence stock purchases (demand) is based on fundamental considerations, namely the company's financial performance, with good financial performance the company can generate high profits and at the same time can set aside part of the profits as high dividends as well, so that this will affect the demand for shares. Based on the explanation above, it can be concluded that the demand for shares and stock price movements are influenced by fundamental factors, namely factors related to company performance, especially financial

performance. If the company's financial performance is good, the demand from investors to buy shares will increase, so the share price will also increase.

Fundamental analysis that is often used to assess stock prices is to analyze the company's financial performance through ratio analysis whose data comes from financial statements. This financial ratio is known to be able to analyze the performance of a company quickly because this method is a process of simplifying information by comparing the numbers in the financial statement items. With the numbers in it, we can analyze the state of the company. If the company's financial condition is healthy, it has a great opportunity to make profits in the future so that it can be expected to distribute dividends or pay bond interest and the price of shares or bonds can also increase (Widoatmodjo, 2009: 66). In this study, financial ratios are used to determine how they affect stock prices.

This is because financial ratios can measure the company's financial performance using data derived from financial statements. If the company's financial condition is good, then investors will assess that the company is successful in running its business. Thus, the demand to buy the company's shares will increase, so that the share price will also increase. As explained by Zuliarni (2012) one of the factors that affect stock prices is the condition of the company, in this case interpreted as the company's financial performance, company performance is a very important thing, because company performance affects and can be used as a tool to determine whether the company is developing or vice versa, the longest and most widely used measure of company performance is financial performance as measured by the company's financial statements. analysis of financial statements can be done by analyzing financial statements, analysis of financial statements can be done by calculating financial ratios, the types of financial ratios that are often used in assessing the company's financial performance are liquidity ratios, activity ratios, solvency ratios, profitability ratios, and market ratios. Based on the explanation above, this study uses liquidity ratios, solvency, profitability, market ratios, and company size to assess stock prices. The following is an explanation of the effect of these ratios on stock prices.

### Activity Ratio

According to Prihadi (2010), "The activity ratio (activity ratio) is a ratio used to measure the effectiveness of the company in using its assets. According to Van Hornel & Wachowicz Jr (2013: 180) "the profitability ratio consists of two types, namely ratios that show profitability about sales and ratios that show profitability about investment." According to Prihadi (2019) explains several types of activity ratios, namely:

$$\text{Inventory Turnover} = \frac{\text{Harga pokok penjualan}}{\text{Rata-rata persediaan}}$$

### Liquidity Ratio

The definition of liquidity according to Cashmere (2016: 128) is: "The ratio that shows the company's ability to pay its short-term debt that is due or the ratio to determine the company's ability to finance and fulfill obligations when billed". According to Sukamulja (2019), the liquidity ratio reflects the company's ability to pay off its short-term obligations, or how quickly the company can convert its assets into cash.

The liquidity ratio is very important for short-term creditors because it can show short-term credit risk while showing the efficiency of using the company's short-term assets. According to Kariyoto (2017: 128), "Liquidity is the ability of a company to meet its financial obligations in the short term, or the company's ability to meet its recurring obligations when billed".

Based on the two definitions above, it can be concluded that liquidity is the company's ability to pay its short-term obligations (current debt) when due.

$$\text{Current Ratio} = \frac{\text{Current Asset - inventory}}{\text{Current Liability}}$$

### Solvency Ratio

According to Cashmere (2018: 151), "The solvency ratio or leverage ratio is a ratio used to measure the extent to which the company's assets are financed with debt." According to Ovianti et al (2018: 132) "This ratio shows the level of debt used by the company to finance the company's operations."

Based on the above definition, the researcher concludes that the solvency ratio is a way to hit a company that is growing at a cost by debt.

### Debt to Equity Ratio (DER)

Debt to Equity Ratio is a ratio used to assess debt against equity.

$$\text{Debt to Equity Ratio} = \frac{\text{Total Debt}}{\text{Total Equity}}$$

### Profitability Ratio

A company has an ultimate goal to achieve, namely obtaining maximum profit or profit. To measure the level of profit of a company, the profitability ratio is used which is also known as. According to Kasmir (2018:196), "Profitability is a ratio to assess a company's ability to make a profit. In ratio analysis, the ability to generate profits from sales and investment income." According to Kasmir (2018:196), "Profitability ratios are ratios to assess a company's ability to seek profits." According to Sukamuja (2017) "States that profitability ratios are ratios that measure a company's ability to generate profits." According to Ovianti et al (2018:132), "Profitability is the company's ability to generate profits." Based on the opinions of the experts above, it can be concluded that the profitability ratio is a ratio used to measure the level of effectiveness of company management as shown by the amount of profit generated from sales and investment

$$\begin{aligned} \text{Net Profit Margin(NPM)} \\ &= \frac{\text{Net Profit}}{\text{Net Sales}} \times 100\% \end{aligned}$$

### Market Value Ratio

Fahmi Irham (2013: 138) ratio describes the conditions that occur in the market. This ratio can provide understanding for the company's management of the conditions of implementation to be implemented and its impact in the future."

According to Moeljadi (2006: 75), "Market ratios are a set of ratios that link stock prices by providing clues about what investors think of the company's past performance and prospects. (Hanafi 2004:43).

According to Fahmi Irham (2013: 138), "The market ratio measures the market price of the company's shares relative to its book value. The point of view of this ratio is more based on the point of view of investors or potential investors, although management, also has an interest in this ratio."

### PER or P/E Ratio

Indicates the number of dollars of earnings that investors currently price for each dollar of earnings. According to Edulardus Tandelilin (2017: 324) how to find the PER or P/E Ratio is:

$$\text{Price Earning Ratio} = \frac{\text{Share orice}}{\text{Eps}}$$

### Hypothesis

Based on the research on the conception of the thinking framework that has been developed in the previous sub-chapter, it will be analyzed in this study. As for the hypothesis or temporary conjecture, among others:

#### Inventory Turnover Ratio (ITO)

According to previous researchers Laras Fitria Paramitha (2019). and Tutik Siswanti (2023), Inventory Turnover Ratio (ITO) has a significant effect on stock prices. This illustrates the Inventory Turnover ratio (ITO) is one of the indicators of the company's recurring performance considered by investors in making their investment decisions.

H1: Inventory Turnover Ratio has a significant impact on Stock Price

#### Culrrelnt Ratio (CR)

According to previous researchers Fauzia Husain (2021), and Intan Novia Astuti (2023), the Current Ratio (CR) has a positive and significant effect on stock prices. This shows that a higher level of the company's current ratio will encourage an increase in the quality of the stock price.

H2: It is suspected the Current Ratio has a significant effect on the Stock Price

#### Debt Equity Ratio (DER)

According to previous researchers Santy (2020). and Rela Octavian (2020), the Debt-equity ratio has a positive and significant effect on stock prices. This can be interpreted that a decrease in DER can cause an increase in stock price, while an increase in DER will cause a significant decrease in stock price against stock price.

H3: It is suspected that Debt to Equity Ratio has a significant effect on Share Price

#### Nelt Profit Margin (NPM)

According to previous researcher Novita H (2020), the results of this study indicate that

partial Net Profit Margin has a positive and significant effect on Stock Price. This indicates that high profits can encourage investors to invest their capital it can cause stock prices to increase.

H4: It is suspected that Net Profit Margin has a significant effect on Stock Price

#### Price Elarning Ratio (PER)

According to previous researchers Yulstinuls Rawi Dandono (2021). and Madeleine Graciela (2023), Price Elarning Ratio (PEIR) has a positive and significant effect on stock prices. This shows that investors invest in a company.

H5: It is suspected that Price Earning Ratio has a significant effect on Stock Price

H6: It is suspected that Inventory Turnover Ratio, Current Ratio, Debt to Equity Ratio, Net Profit Margin, and Price Earning Ratio simultaneously have a significant effect on the Share Price of PT Indofood Sukses Makmur.

## RESEARCH METHODS

### Types of Research

This type of research is Quantitative Descriptive research, which provides a clear picture of the results of the analysis to find accurate results.

### Population

The population in this study was taken from secondary data, namely data on the food industry company Indofood Sukses Makmur, Tbk. listed on the Indonesia Stock Exchange for the period 2013-2022.

Data Analysis Techniques that be used in this study are:

1. Normality Test, to find out whether the residual value (existing difference) under study has a normal or abnormal distribution.
2. Multicollinearity Test, to test whether the regression model found correlation between independent variables.
3. Heteroskedasticity test, to determine any deviations from the terms of assumption requirements
4. Classic on linear regression.
5. Multiple Linear Regression Test, is a regression model equation in which the number of independent variables is more than one.
6. T (partial) test, to determine the effect of the independent variable on the individual dependent variable.

7. F (Simultaneous) test, to see the effect of variable X on Y simultaneously or simultaneously.
8. Test R2, to find out how big the relationship of several variables in a clearer sense

**DISCUSSION**

**Normality Test Results**

Another on other alternative method that can be taken to do the normality test, namely using the Komogorov-Smirnov Test. The results of the One-Sample Kolmogorov-Smirnov (K-S) non-parametric statistical test in this study can be seen in Table 1 as follows

		Unstandardized Residual
N		10
	Mean	.0000
	Std. Deviation	284.25408802
Normal Parameters <sup>a,b</sup>	Absolute	.173
	Positive	.173
	Negative	-.128
Most Extreme Differences		.173
Test Statistic		.200 <sup>c,d</sup>
Asymp. Sig. (2-tailed)		

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

Based on Table 1 above, it can be seen that the significance value of Asymp.Sig (2-tailed) is 0.200 which means > 0.05, it can be concluded that the residual value is normally distributed. Thus, the assumption or requirement of normality in the regression model has been met.

**Table 2**  
Multicollinearity Test Results  
Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta				Tolerance	VIF
1 (Constant)	8052.003	1856.446			4.337	.012		
ITO	-422.310	198.887	-.281	-.2123	.101	.798	1.253	
CR	551.013	535.569	.160	1.029	.362	.577	1.732	
DER	6172.054	962.378	-.938	-6.413	.003	.653	1.531	
NPM	45392.806	11437.377	.967	3.969	.017	.235	4.251	
PER	204.832	51.168	.873	4.003	.016	.293	3.409	

Dependent Variable: harShare Price  
Source: Data processed by SPSS Vetrasi.22

Based on the results of the multicollinearity test above, it is known that each independent variable produces a VIF value < 10 and a tolerance value > 0.10. Because all variables have a VIF value of less than 10. it can be concluded that in this study there are no symptoms of multicollinearity, meaning that there is no linear relationship between the independent variables used in the regress model.

**Hasil Uji Heteroskedastisitas**



**Figure 1**  
Graphics Scatterplot

Based on Figure 1 above, it can be seen that the residual point does not describe a clear pattern or anything that forms like a wave and does not widen the narrowing of the distance. The residual points spread randomly both above and below the number 0 on the Y axis, so it can be concluded that in this regression model, there is no heteroskedasticity.

The results of the heteroscedasticity test using the Glesjer test method can be seen in tabell4.10 below:

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
(Constant)	-964.872	762.649			-1.265	.274
ITO	64.167	81.705	.299	.785	.476	
CR	621.494	395.356	.661	1.572	.191	
DER	-29.009	220.018	-.059	-.132	.901	
NPM	10.147	4698.605	.002	.002	.998	
PER	15.131	21.021	.451	.720	.511	

a. Dependent Variable: Abs\_Res

Based on Table 3 above, it can be seen that the value of sig. > of 0.05 so it can be concluded that it is true that the regression model does not show symptoms of heteroscedasticity and is feasible to be used to predict the dependent variable of stock price based on the independent variable.

Hasil Uji Autokorelasi

Tabel 4  
Hasil Uji Autokorelasi  
Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.972 <sup>a</sup>	.944	.874	298.210	2.533

a. Predictors: (Constant), PER, DER, ITO, CR, NPM  
b. Dependent Variable: Harga Saham

Source: Data processed through SPSS Velrsi.22

Based on the table above, the DW value can be known as 2.533, this value will be compared with the significance table value of 5%, with a sample number of 10 (n) and the number of independent variables 5 (k = 5), then obtained a DW value of 0.2427 smaller than the DW value of 2.533 and a DW value smaller than the DU value of 2.8217. So it can be concluded that in the results of the *Durbin-Watson* test, there is no conclusion that there is autocorrelation or not in this regression model.

Table 5  
Hasil uji Runs Test

	Unstandardized Residual
Test Value <sup>a</sup>	-25.75295
Cases < Test Value	5
Cases >= Test Value	5
Total Cases	10
Number of Runs	6
Z	
Asymp. Sig. (2-tailed)	

1. Median

Source: Data processed using SPSS Version.22

Based on Table 5 it is known in the Runs Test table as the Asymp. Sig. (2-table) of 1 > 0.05, It can be concluded that there are no autocorrelation symptoms, so linear regression analysis can be continued.

**Multiple Linear Regression Analysis**

After all the tests of classical assumptions are met, then multiple linear regression analysis is carried out. To examine the effect of inventory turnover ratio, current ratio, debt to equity ratio, net profit margin, and price earning ratio on stock price. The results of multiple linear regression equations to see the influence on stock prices are shown by the results of regression calculations such as Table 6 below

Variabel	B	t <sub>hitung</sub>	Sig	Kesimpulan
Konstans	8.052			
X <sub>1</sub>	-422,310	-2,123	0,101	Tidak Berpengaruh Signifikan
X <sub>2</sub>	551,013	1,029	0,362	Tidak Berpengaruh Signifikan
X <sub>3</sub>	-6.172,054	-6,413	0,003	Berpengaruh Signifikan
X <sub>4</sub>	45.392,806	3,969	0,017	Berpengaruh Signifikan
X <sub>5</sub>	204,832	4,003	0,016	Berpengaruh Signifikan
F	=	13,524	0,013	Berpengaruh Signifikan
R <sup>2</sup>	=	0,874		

When viewed in Table 6 above, the results of data processing using SPSS Version 22 for windows are entered into multiple linear regression equations so that the following equation is known:

$$Y = 8,052 - 422 X_1 + 551 X_2 - 6,172 X_3 + 4,5392 X_4 + 204 X_5 + e (0,101) (0,362) (0,003) (0,017) (0,016)$$

Table 7  
Test Uji t (Parsial)  
Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1 (Constant)	8052.003	1856.446			4.337	.012
ITO	-422.310	198.887	-.281		-2.123	.101
CR	551.013	535.569	.160		1.029	.362
DER	6172.054	962.378	-.938		-6.413	.003
NPM	45392.806	11437.377	.967		3.969	.017
PER	204.832	51.168	.873		4.003	.016

a. Dependent Variable: HARGA SAHAM

Table 8  
Hasil Uji F (Simultan)  
ANOVA<sup>a</sup>

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	6013283.316	5	1202656.663	13.524	.013 <sup>b</sup>
Residual	355716.684	4	88929.171		
Total	6369000	9			

1. Dependent Variable: Stock Price

a. predictors: (Constant), PER, CR ITO DER NPM

**Research Discussion**

Based on the results of research on the results of data processing related to the title, theoretical provisions, opinions, and previous research, in this study, several things can be explained, namely as follows:

**1. Effect of Inventory Turnover Ratio on Stock Price**

So it can be concluded that partially the Inventory Turnover Ratio has no significant effect on the stock price. The absence of ITO's influence on stock prices indicates that

the inventory sales ratio cannot be used as a measure to determine whether stock prices are rising or falling. As a result, the success or failure of a company in managing its inventory does not affect investors' willingness to buy the company's shares. The results of this study are in line with research conducted by Reza Octavian (2020), and R Taufik Hidayat (2022) which states that the Inventory Turnover Ratio has no significant effect on stock prices.

## **2. Effect of Current Ratio on Stock Price**

Partially it can be concluded that the Current Ratio does not have a significant effect on the share price. There is no influence between the Current Ratio variable on Stock Price because the Current Ratio value that is too high does not always indicate that the company has a lot of rework, which in turn will reduce the company's profits, but if the current ratio variable value is low it will cause the company's stock price to fall. The results of this study are in line with research conducted by Kartika Hernapuri Rosadi (2018), Laras Fitria Paramitha (2019), Bobby Daniswara Halim (2019), Adolf Jelly Glen (2020), and Pultri Adel Styra (2021) which state that Current Ratio does not have a significant effect on stock prices.

## **3. Effect of Debt-to-Equity Ratio on Stock Price**

Partially, the Debt-to-Equity Ratio variable has a significant negative effect on the stock price. This shows that the stock price can go down if there is a high debt-to-equity ratio. The results of this study are in line with research conducted by Bobby Daniswara Halim (2019), Laras Fitria Paramitha (2019), Santy (2020), Reza Octavian (2020), Maria Juliani Anggrelani (2021), and Tutik Siswanti (2023) which state that Debt to Equity Ratio has a significant effect on stock prices.

## **4. Effect of Net Profit Margin on Stock Price**

Partially, the Net Profit Margin variable has a significant positive effect on the share price. This shows that companies that have a high level of Net Profit Margin (NPM) or tend to increase can attract the attention of investors to invest in them. Investors also value the company's company's ability to earn net profit, so they can know the return

earned by investors. The results of this study are in line with research conducted by Novita H (2018), Putri Ade Setya (2021), and Yustianus Rawi Dandono (2021), stating that Net profit Margin has a significant effect on stock prices.

## **5. Effect of Price Earning Ratio on Stock Price**

Thus H5 is accepted and H0 is rejected, so it can be concluded that partially the Price Earning Ratio variable has a significant positive effect on stock prices. This shows that investors pay attention to PER in deciding to invest. The higher the PER, the higher the investor's interest in investing in the company, so the share price will also increase. The results of this study are in line with research conducted by Kartika Hernapuri Rosadi (2018), Reza Octavian (2020), Yustianus Rawi Dandono (2021), Krishna Rahayul Nurtyas (2023), and Madeline Grasella (2023) which state that the Price Earning Ratio has a significant effect on stock prices.

## **6. The effect of Inventory Turnover, Current Ratio, Debt-to-Equity Ratio, Net Profit Margin, and Price Earning Ratio on Stock Price**

Simultaneously has a significant effect on Stock Price or in other words H6 is accepted H0 is rejected, while for the results of multiple regression values the constant value (a) is 8052.003, meaning that if the variables in this study Inventory Turnover, Current Ratio, Debt to Equity Ratio, Net Profit Margin, and Price Earning Ratio are 0, then the stock price as variable Y is 8052.003. The coefficient of data determination seen in the adjusted R-Square of 0.874 which means that the effect of Inventory Turnover Ratio, Current Ratio, Debt to Equity Ratio, Net Profit Margin, and Price Earning Ratio on Stock Price is 87.4%, while the remaining 12.6% is influenced by other variables not included in this study. This means that the level of relationship between variables on stock prices is very large.



## REFERENCES

- Brigham, E. F., & Houston, J. F. (2014). *Dasar-Dasar Manajemen Keuangan Buku Satu*. Edisi Kesebelas. Salemba Empat: Jakarta.
- Darmadji, T. (2001). *Pasar modal di Indonesia: Pendekatan tanya jawab*. Salemba Empat.
- Erwin Dyah Astawinetu, M. M., & Sri Handini, M. M. (2020). *Manajemen Keuangan: Teori dan Praktek*. Scopindo media pustaka.
- Fabozzi, F. J., & Drake, P. P. (2009). *Finance: capital markets, financial management, and investment management* (Vol. 178). John wile & Sons.
- Fahmi, Irham. 2014. *Analisis Laporan Keuangan*. Jakarta: Alfabeta
- Fakhrudin, M., & Hadianto, M. S. (2001). *Perangkat dan model analisis investasi di pasar modal*. Jakarta: Gramedia
- Farkhan, F., & Ika, I. (2012). Pengaruh rasio keuangan terhadap return saham perusahaan manufaktur di Bursa Efek Indonesia (studi kasus pada perusahaan manufaktur sektor food and beverage). *Value Added: Majalah Ekonomi Dan Bisnis*, 9(1), 22860.
- Ghozali, Imam. (2016). *Aplikasi Analisis Multivariete Dengan Program IBM SPSS 23* (Edisi 8). Cetakan ke VIII. Semarang : Badan Penerbit Universitas Diponegoro.
- Hanafi, Mamduh. M., Halim, Abdul. 2016. *Analisis Laporan Keuangan Edisi ke5*. Yogyakarta: UPP STIM YKP
- Harahap, Sofyan Syafri. (2018). *Analisis Kritis Atas Laporan Keuangan*. Jakarta: Raja Grafindo Persada
- Harmono. 2014. *Manajemen Keuangan Berbasis balanced scored*. Jakarta: PT Bumi Aksara. Hery. 2016. *Analisis Laporan Keuangan Integrated and Comprehensive Edition*. Jakarta: Grasindo.
- Hery. 2017. *Analisis Laporan Keuangan (Intergrated and Comprehensive edition)*. Jakarta: Grasindo
- Husnan, S., & Pudjiastuti, E. (2002). *Da Husnan, S., & Pudjiastuti, E. (2004). Dasar-dasar manajemen keuangan*. Yogyakarta: Upp Amp Ykpn.
- Jatmiko, D. P. (2017). *Pengantar Manajemen Keuangan: Diandra Kreatif*. Diandra kreatif.
- Kariyoto. 2018. *Manajemen Keuangan Konsep dan Implementasi*, Cetakan.Pertama. Malang: UB press
- Kasmir. 2018. *Analisis Laporan Keuangan*. Depok: PT Raja Grafindo Persada
- LM. Samryn. (2015). *Pengantar Akuntansi-Metode Akuntansi untuk Elemen Laporan Keuangan Diperkaya dengan Perspektif IFRS & Perbankan*. Edisi Pertama. Jakarta: PT RajaGrafindo Persada
- Lukviarman, Niki. 2016. *Corporate Governance*, Solo: PT. Era Adicitra Intermedia
- Lubis, A., & Sabrina, H. (2019). *Pengaruh Loyalitas dan Integritas Terhadap Kebijakan Pimpinan di PT. Quantum Training Centre Medan*.
- Margaretha, F., & Setyaningrum, D. (2011). Pengaruh Resiko, Kualitas Manajemen, Ukuran dan Likuiditas Bank terhadap Capital Adequacy Ratio Bank-Bank yang Terdaftar di Bursa Efek Indonesia. *Jurnal Akuntansi Dan Keuangan*, 13(1), 47–56.
- Masno M, Anggun Anggraini, Sayu Ketut Sutrisna Dewi, & Arsid. (2023). Opportunity Set, Liquidity, Stock Return, Inflation as A Moderator Investment Risk, Investment. *Jurnal Manajemen*, 27(2), 381–402. <https://doi.org/10.24912/jm.v27i2.1380>
- Masno M, (n.d.). *Manajemen keuangan: mengatur keuangan bidang industri, kepemimpinan dan kewirausahaan*. Jakad Media Publishing.ISBN: 978-623-468-087-4.
- Masno M, (n.d.). *Foreign Ownership, Investment Decisions, Funding Decisions, and Dividend Policy on Company Value*.
- Masno, Jeni Andriani, Annisa NP. (2023) *Manajemen Investasi dan Investasi online*, Penerbit Deepublish, Yagjakarta. ISBN: 978-623-02-7523-4
- Moeljadi. (2006). *Manajemen Keuangan Pendekatan Kuantitatif dan Kualitatif*. Edisi 1. Bayumedia Publishing. Malang
- Miftahudin Prayudi, A. N. (2019). *Pengaruh Profitabilitas dan Kebijakan Hutang Terhadap Pembagian Dividen pada Perusahaan Farmasi yang Terdaftar Bursa Efek Indonesia di Jakarta* (Doctoral dissertation, Universitas Medan Area).
- Musthafa. 2017. *Manajemen Keuangan*. Yogyakarta: CV. Andi Offset
- Munawir. S 2014. *Analisis Laporan Keuangan*. Yogyakarta: Liberty
- Ovianti, N., Siahaan, Y., Susanti, E., & Astuti, A. (2018). Faktor-faktor yang mempengaruhi return saham investor pada perusahaan sub sektor semen yang terdaftar di Bursa Efek Indonesia. *Financial: Jurnal Akuntansi*, 4(2), 43–50.
- Prayudi, A., & Ilhammi, N. (2015). *Analisis Rasio Utang Atas Modal Dan Ukuran Perusahaan Terhadap Pengembalian Saham Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia*. *Jurnal Akuntansi dan Bisnis: Jurnal Program Studi Akuntansi*, 1(2).
- Prihadi, T. (2019). *Analisis laporan keuangan*. Gramedia Pustaka Utama.
- Rahmadhani, S. N. (2019). *Pengaruh Marjin Laba Bersih Dan Pengembalian Atas Ekuitas Terhadap Harga Saham Perusahaan Industri Barang Konsumsi*. *Jurnal Akuntansi Dan Bisnis: Jurnal Program Studi Akuntansi*, 5(2), 170–175.
- Sari, E. F. (2018). *Pengaruh Tata Kelola Perusahaan, Ukuran Perusahaan, Leverage, dan Pertumbuhan Penjualan Terhadap Kinerja Perusahaan Sektor Industri*
- Sugiono, J. (2020). *Pengaruh Manajemen laba, Tax Avoidance dan Kualitas Audit terhadap nilai*

Perusahaan. inspirasi; *Jurnal Ilmu-Ilmu Sosial*,  
17(2), 294–303.  
Sukamulja, S. (2017). *Pengantar Pemodelan Keuangan  
dan Analisis Pasar Modal*. Penerbit Andi