THE IMPACT OF THE FINANCIAL PERFORMANCE RATIO AND SHARES PRICES ON THE INDONESIAN STOCK EXCHANGE IN THE LQ45 INDEX

Hengky Leon
Widya Dharma University Pontianak

ARTICLEINFO	ABSTRACT
Keywords: *Current ratio, Debt equity ratio, Return on equity, Earnings per share*	The aim of this research is to analyze ratios which include Current Ratio (CR), Debt Equity Ratio (DER), Return on Equity (ROE), and Financial Performance which includes Earning per Share (EPS), have an impact on IDX stock prices. Companies included in the 2015-2016 LQ45 index will be studied further in this study. Purposive sampling was used to select the sample for this study, with 56 companies selected based on the sample obtained in this study. (1). The current ratio has a beneficial effect on stock value, according to the findings. (2). Share prices are not affected by the debt to equity ratio. (3). Stock prices are not affected by Return on Equity. (4). Earnings per share have a beneficial impact on the stock market.
E-mail: hengkyleon11@gmail.com	

1. INTRODUCTION

The capital market is a market where you can trade long-term assets such as bonds, stocks, bonds and other assets[1] .

Investors and issuers are looking for financing or additional profitable capital market capital. Equity, bonds, mutual funds and other commodities in the capital market are usually used for a long time. The capital market can have a variety of long-term currency markets, both debt and equity. Governments and commercial companies alike issue it. Equity is a fairly well-known type of securities capital market.

Shares are basically securities issued by individuals or legal entities within the company that issues the shares. According to [2] stocks are a symbol of the future.

Analyzing a company's annual financial statements is one technique for evaluating its financial success. We might look at a company's financial records to see how profitable it is and how solid its risks are. Financial analysis, which consists of analysis of financial data as well as analysis and strength of the financial sector, is very useful in establishing past and future management.

Financial reports are carefully prepared, so that a general picture of the company's culture and organization is obtained, which is then used to determine financial performance. Furthermore, information about a company's financial performance is of great use to various stakeholders, including investors, lenders, governments, bankers, management, and others. Based on the explanation above, this study aims to analyze the effect of ratios and financial performance on stock prices on the LQ45 index on the Indonesian Stock Exchange[3].

2. LITERATURE REVIEW
Of Financial Ratios

Financial ratios are used to analyze various risks and companies to help investors and creditors make the right decisions. To measure different aspects of the risk-return relationship, the following four types of risk-return ratios are used[4].

a. Liquidity Analysis is an analysis very helpful in estimating cash flows available to cover a number of short-term corporate periods.
b. Solvency and long-term debt analysis is helpful in creating company resources, such as the company's long-term resources and ability to meet investment obligations.
c. Revenue and output created by company assets are taken into account.
d. A profitability study compares company earnings and earnings with invested capital.

Financial ratios have a purpose as well as the advantage of comparing the relationship between and organizational risk of any size.

Types of Financial Ratios

a. Liquidity

The cash ratio, also known as the liquidity ratio, is a metric used to characterize or assess a company's ability to handle external and internal responsibilities. In other words, this ratio shows the company's ability to pay (debt) at maturity or is a metric used to evaluate the company's ability to meet and fulfill its obligations in the short term[5].

b. Current Ratio (Current Ratio)

The current ratio, also known as the current ratio, is the ratio used to evaluate a company's ability to pay debts or debts that are due at the time of total billing at the time of payment. According to the previous statement, the greater the liquidity ratio, the faster the company responds to the company's time period[1].

Below is the formula for calculating the Current Ratio, namely:

$$Current\ Ratio = \frac{Current\ Asset}{current\ liabilities}$$

c. Quick Ratio

Because it minimizes inventory which is then considered a slightly less liquid current asset and is likely to be a source of loss, the quick ratio is a ratio that can be achieved more quickly than thecurrent ratio.

$$Quick\ Ratio = \frac{Current\ Asset < supply}{current\ liabilities}$$

d. Cash Ratio

The cash ratio is a valuable tool for determining a company's ability to hold receivables and inventories by comparing cash to banks with current liabilities

$$Cash\ Ratio = \frac{Cash\ D\ CasC\ Equ/valents}{current\ liabilities}$$
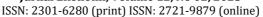
Solvability

The current ratio, often known as the current ratio, is the ratio used for Assess the company's ability to pay debts or debts that are due at final billing. The greater the liquidity ratio, the faster the company responds period time company, according to statement previously[6].

1) Ratio Debt To Total Asset

The ratio of debt to total assets is the ratio used to calculate the ratiodebt to asset. If the ratio too tall, company possible will difficulty obtain new loans because they are unable to pay their debts with their current assets. Likewise, if the debt-to-equity ratio is low, the company's credit burden is lowered. Ratio debt to total asset could counted with use formula in lower this:

$$Raiso\ Debt\ Against\ Total\ Assets\quad = \frac{Main\ Total}{total\ assets}$$

2) Ratio Debt Which Occur On Equity

The debt to equity ratio is a useful debt to equity ratio to determine each individual's personal capital, which is useful for guaranteeing debt. Ratio searching for moment check all debt, obligation moment this, and equity[7]. The more tall debt to equity ratio, the more unprofitable the bank because it is getting bigger the risk, and the higher the ratio, the better for the company. Low ratio, in the other hand, shows that the owner has more resources and that the limit higher protection if the resource is lost or changed. Debt to equity could counted with use formula in lower this:

$$Raiso\ Debt\ Against\ Equity\quad = \frac{Main\ Total}{Equity}$$

3) Time Interest Earned

Ratio multiple for pay flower is ratio multiple which capable pay interest; the greater the multiple ratio, the greater the ability to pay interest, and the more good for company. For determine Ratio Multiple for pay flower, Use formula in lower this:

$$Time\ Interest\ Earned = \frac{Earn/n7\ BeYore\ Interest\ dan\ Taxes}{Interest\ Expense}$$

4) Total Assets To equity

Total assets to equity is a ratio that shows how total assets areand capital in something company related.

$$Total\ Asset\ To\ equity = \frac{Equity\ Attributable\ to\ the\ owners\ of\ the\ parent}{Total\ Assets}$$

5) Fixed Assets To equity

Ratio total asset permanent to capital alone counted with use assetpermanent with equity.

$$Rasio\ Total\ Aset\ Tetap = \frac{Net\ Sales}{Avara7e\ F/xed\ Assets}$$

6) Current Assets To equity

Ratio total asset fluent to capital alone called as asset fluent to equity.

$$Current\ Asset\ to\ equity = \frac{Shareholder^{f}s\ Equity}{Total\ Assets}$$

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2.4. Profitability

The profitability ratio is a metric for determining a company's ability to generate revenue or profit. The purpose of profitability ratios is to track company progress from time to time, both in terms of decline and profit, as well for look for know what which cause change this. kindly general, the more bigthe company's ability to use its assets productively, the higher the ratio its profitability in create profit or profit[8]. Ratio profitability could stated as following:

1) Return on Equity (ROE) is a measure of a company's ability to generate profits clean based on total share which has. Ability business for in a manner profitable show the cash alone be measured with the ratio which tall.
2) Net Profit margins often known as margins profit clean, is metric which compare profit clean after tax with total sale company.
3) return on Investments (ROI) connect profit clean company after tax with total the assets.

2.5. Ratio Mark Market

The market value ratio shows the current market situation. This ratio is also often used for evaluate circumstances potency profit for something company, especially if something decision company for invest a number fund on company the for in Century which will come. Company use a number of type ratio mark market :

1) EPS (Profit Per Share)

EPS, sometimes known as earnings per share, is the dividend paid to shareholders for the shares they own in the company. Below this is formula for determine EPS company:

$$Earning\ Per\ Share = \frac{Net\ profit\ after\ tax}{Number\ of\ outstanding\ shares}$$

2) Price Share

Study and analysis stocks company which develop, good in a manner fundamental nor technical, start from use share as vehicle for add capital addition. Various literature try give recommendation which diverse, but aim generally is for give benefit user which tall and have long-term decision influence. The following is the stock price according to (fahmi, 2015) that is:

- Proof ownership equity or capital in something corporation
- A sheet of paper with a nominal value, company name, and the rights and obligations of each respectively holder.
- Goods merchandise which ready for sale

3) Index Price Share (IHS)

Data on the history of stock movements circulating on the stock exchange, both individually, in groups, nor combination, needed for choose something share as items investment. Everyinvestors have the same goal: to profit from their investment. When the price of shares sold is higher than the price of shares purchased, one benefits Investing is an opportunity to profit from the difference between the selling price and the price buy. Price is units numeric fundamental which has built. Price share controlled by market supply and demand for shares. The stock price will fall if there is more[9].

hypothesis

H1 : Current Ratio influential significant to price share
H2: Debt to Equity Ratio has a significant effect on stock pricesH3 : return on equity influential significant to price share H4 : earning per Share influential significant to price share

3. METHOD
Population and Sample

The population in the study is IDX data from 2015 to 2016, total manufacturing business actors who have been listed on the Indonesia Stock Exchange have experienced an increase. Purposive sampling will be used in the sample selection process. Total sample after purposive sampling as much 56 people, with period observation During two year[10].

Table 1. Criteria in Sampling

Criteria In Sampling	Number Of Samples	Until It Is Issued
Companies listed on the IDX which are included in the LQ 45 index during the period 2015 to 2016	40	
Those who have financial ratio data	28	12
The number of companies that will be sampled		28
Total number of observations (two years of observation)		56

Method Collection Data

In the 2015–2016 observation year, secondary data collection was carried out by download financial reports from the IDX website with the web address: www.idx.co.id. Participant in this study are business actors listed on the IDX and indexed LQ 45. Strategy purposive sampling was used to select the research sample. Here are a few example criteria which use purposive samples:
   a. For 2015 to 2016, all companies that have been listed on the IDX andwhich including in index LQ 45
   b. Have information ratio finance

Technical Analysis Data

On study this used Test Regression linear double with model calculation as following :

$$HS = \alpha + \beta_1\,CR + \beta_2\,DER + \beta_3\,ROE + \beta_4\,EPS + E$$

Ket :
HS = harga saham
CR = current ratio
DER = debt to equity
Ratio ROE = return on equity
EPS = earning pershare
a = Konstanta
β = Koefisien

4. RESULTS AND DISCUSSION
Statistics Descriptive

In this study, descriptive statistics were used. The table below calculates and displays the minimum, maximum, mean (average), and standard deviation values. Aftereliminating the outlier variable, winorizing (which is outside the range of 3 times the standard deviation for each variable)

Table 2. Results Test Statistics Descriptive

variabel	n	min	max	mean	Standar Deviasi
current ratio	56	-0.33	6.61	4.9396	
current ratio	56	-0.33	6.61	4.9396	1.15656
debt to equity ratio	56	-2.04	0.99	-0.3163	0.75852
	56	-2.30	5.08	2.5084	1.12319
ROE	56	-2.30	5.08	2.5084	1.12319
EPS	56	0.00	8.15	5.1264	1.68109
harga saham	56	5.84	11.07	8.4250	1.23280
valid n (listwise)					

Test Assumption Classic

a. Test Normality

Data in model distributed normal, based on findings one sampleKolmogorov-smirnor as big 0.200 > from mark Sig > 0.05

Table 3. Results Test Normality

Persamaan Regresi	Asymp. Sig. (2-tailed)
HS = a + β1 CR + β2 DER + β3 ROE + β4 EPS + e	0,200

b. Test Multicollinearity

Mark VIF could ensure that data no show symptom multicollinearitybased on results processing data.

Table 4. Results Test Multicollinearity

Variabel	Tolerance	VIF
Current Ratio	,755	1,324
Debt to Equity Ratio	,703	1,423
Return on Equity	,634	1,578
Earning per share	,660	1,515

c. Test Auto correlation

The result value on the DW is 1.874 > the limit (du) is 1.7678 and is smaller than (4- du) of 2.2322, according to the results of existing data processing. Based on the test model table autocorrelation, data in model no have autocorrelation.

Table 5. Results Test Autocorelation

Model	Durbin-Watson
HS = a + β1 CR + β2 DER + β3 ROE + β4 EPS + e	1,874

Sumber: data diolah 2017

d. Test Heteroscedasticity

Because importance size company, compensation, and leverage in on alpha 5%, the data in the model does not show heteroscedasticity, according to the results of data processing. (0.05)

Table 6. Results Test Heteroscedasticity

Variabel	Sig
Current Ratio	0.244
Debt to Equity Ratio	0.158
Return on Equity	0.609
Earning per share	0.052

Sumber : data diolah 2017

a. *Current Ratio* influential significant to price share

The current ratio is a useful metric for determining a company's ability topaying back short-term debt commitments, such as debt that is about to be due due after the party's invoice has been paid. Many mature assets currently available, and approachesspecial could used for evaluate level security company. The more tall Current Ratio, the more able the corporation is to meet its short-term debt obligations. The higher the Current Ratio, the higher the stock price, and vice versa low Current Ratio so the more low price share[11].

b. *Debt to equity Ratio* influential significant to price share

Based on the calculations in the table above, the debt-to-equity ratio has little impact on share price because DER is considered typical by some investors. Medium company developing, on the other hand, will require a large amount of funding that can be met fully from fund company that alone.

c. return on equity (ROE) influential significant to price share

ROE has no effect on a company's stock price, according to calculations in the table above. The Indonesia Stock Exchange Index is influenced by the LQ45 impact small to ROE. This happens when the company's profit becomes one of the criteria which used for count ROE Becomes the only one consideration intake decision. Level flower have impact which significant to cost capital

d. *earning per share (EPS)* influential significant to price share

Potential investors pay attention to profit per share (EPS) because this is the most information fundamental and urgent which available about possibility income company in future. The purpose of calculating EPS is to see how the company operates current, and is useful for determining stock prices and dividend payouts. Profit per a high share (EPS) attracts investors because it is a measure of a company's success company. The higher the company's EPS value, the greater the profit will shared to holder share and the more tall price the stock[12].

5. CONCLUSION

Ratio Fluent there is influence which significant to price share something company. Ratio Debt To Equity no there is influence which significant to price share something company. ROE no there is influence which significant to price share something company. EPS there is influence which significant to price share something company

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