

ECONOMIC VALUE ADDED AND MARKET VALUE ADDED ON STOCK PRICE

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ABSTRACT

This study aims to determine the effect of economic value added and market value added on stock prices. This study uses secondary data, with the research object of mining sector companies listed on the Indonesia Stock Exchange for the 2018-2020 period. The sample of the observations in this study amounted to 60 which was carried out using a purposive sampling method and processed by multiple linear regression analysis. The results of this study indicate that economic value added has a positive and significant effect on stock prices and market value added has a positive and significant effect on stock prices.

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1. INTRODUCTION

The movement of stock prices on the stock exchange or capital market can be a good picture or not of the company's performance and become an important factor for investors in determining if a share in a company is worthy of investment (Budiman, 2018:52). The stock price is an illustration of whether management manages the company well in the aim of creating and utilize prospect effort, so that on finally could get profit and able to fulfill its responsibilities to owners, employees, Public and *stakeholders* (Zubir, 2013). Usually, price share tends will increase if the market assesses the performance of the company concerned in a condition which good, on the contrary, price share will experience a drop if the market evaluates the performance of the company the low/no good (Eco, Puspitaningtyas, and Laila, 2020). The method most often used to measure the performance of a finance company is the use of ratio financelike ratio liquidity, ratio solvency, and ratio profitability. However measurement based on ratio finance no give a description which actually about the success of financial management (Prasetyo and Budiyanto, 2014:2). To cover limitations the, indicator worn in This research is *economic value added* and *market value added* because measurement performance company with draft score plus considered more objective because could measure and describe performance company by appropriate.

According to Brigham and Houston (2006), *economic value added* is an increased score conducted by the management company to handheld share During one period certain which reflects profit residue after subtracting the cost of the total capital including equity capital. Evaluation performance using *economic value-added* cause attention management is focused on matters that are in the interests of investors because size performance companies take into account cost capital equity (Alamsyah, 2017). Score *economic value added* which the taller indicates has occurred score plus in the company which means the performance finance company is good (Cashmere, 2010). Besides that, an evaluation of performance companies also couldconduct with draft *market value added* where the draft this measure how much big score add created successful company to para distributor funds (Mustikowati, 2011). According to Ruky (1997), *market value added* is the difference between the *market value of equity* or the total capitalization of shares in the capital market with a book value of equity. Among the various

Economic Value Added And Market Value Added On Stock Price - Desy Astrid Anindya Muhammad Habibie

sector of companies listed on the Indonesia Stock Exchange, the mining sector includes the sectors that are most in demand by investors. In 2021, the realization that Non-Tax State Revenue from the mining sector contributes to state revenue was recorded at Rp 189.2 T or 156% of the target of Rp 121.2 T (Liputan6.com, 2022). This sector is one of the sectors that are still a crutch growth economy in Indonesia. Besides that, could see stock price movements of mining sector companies over the past four years final;

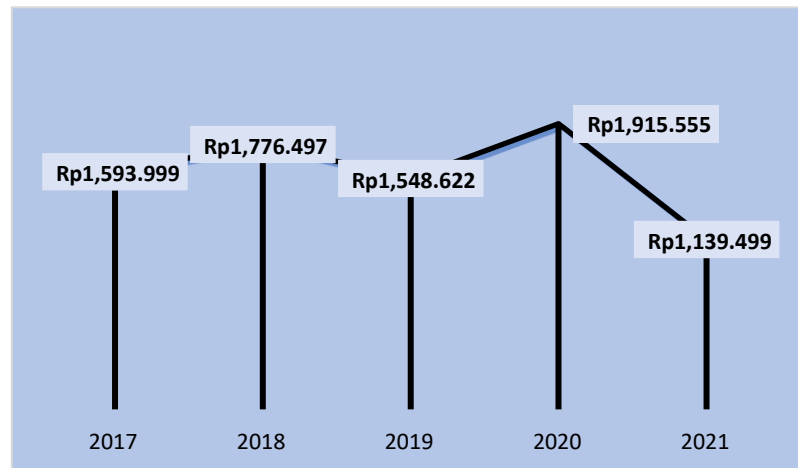


Figure 1. Mining Stock Price Chart for the Last 5 Years Source: www.idx.co.id (data processed, 2022)

View based on the chart on, price share sector mining tends to experience a drop as big as 12,83 % in the year 2019. Will but succeed experience growth positive as big as 23.69 % _ in the year next, but the mining sector stock price index fell again to 40.51% in 2021. The decline in the share price of the mining sector cannot be separated from a policy set by the Ministry of Energy and Source Power Mineral to lower the Reference Coal Price in December 2021. Coal Price The benchmark decreased in line with the increase in coal production carried out by China to meet domestic needs, so it has an impact on the increased stock stone coal domestic China and policy Settings price coal by the local government, in addition, a decrease in the Reference Coal Price on the year 2021 this also influenced by crisis energy global which still takes place and is followed by a crawling demand for fossil energy commodities outside coal (Kompas.com, 2021).

2. METHOD

Type study which worn in a study this is type study associative with sampling using *purposive* sampling technique based on certain criteria to obtain as many as 20 sector companies mining with period study During 3 year, result there is as much 60 total sample data used in this study. The data used are data quantitative with source data secondary which was taken using a documentation technique that is report finance on-site official Exchange Effect Indonesia. The data analysis technique used in this research is analysis regression linear multiple to explain the connection and how much big influence variable independent of the dependent variable.

3. RELUST AND DISCUSSION

Test Assumption Classic

Economic Value Added And Market Value Added On Stock Price - Desy Astrid Anindya Muhammad Habibie

Normality test

Table 1. Test Kolmogorv-Smirnov Test

Unstandardized Residual	
asympt. Sig. (2-tailed)	0.062

Source: data processed, SPSS 25

Based on the results test Kolmogorv-Smirnov in table 1, obtained a score *asympt. Sig. (2-tailed)* as big as $0.062 > 0.05$ _ so could conclude that data distribution is normal (Sugiyono, 2017).

Test Multicollinearity

Table 2. Results Test Multicollinearity

Model	Collinearity Statistics	
	Tolerance	VIF
X 1 (EVA)	0.781	1,281
X 2 (MVA)	0.781	1,281

a. Dependent Variables: Y (Price Share)

Source: data processed, SPSS 25

The results of the multicollinearity test according to table 2 above can be explained as follows:

1. Variable X 1 that is the *economic value added* get score *tolerance* is $0.781 > 0.1$, and the VIF value is $1.281 < 10$, so it can be concluded *economic variable value free added* multicollinearity.
2. Variable X 2, namely *market value added*, obtains a *tolerance value* of $0.781 > 0.1$, and scores VIF as big as $1.281 < 10$, so that could conclude *variable market value free added* multicollinearity.

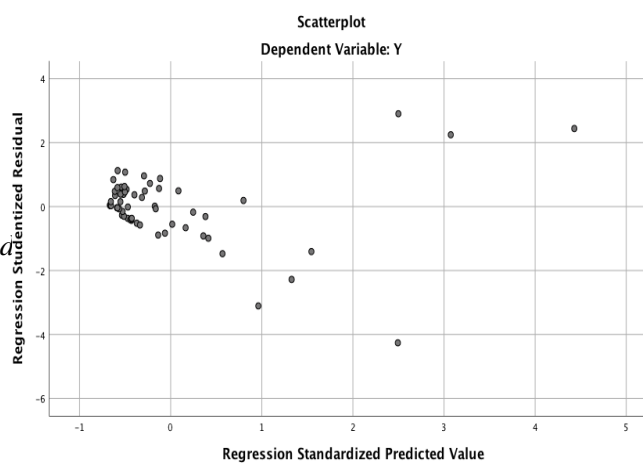
Test Autocorrelation

Table 3. Results Test Autocorrelation

Model	Durbin-Watson
1	1,712

Based on table 3, the score *Durbin Watson* (DW) is as big as 1712, then for scores *dl* and *du* obtained each 1.5144 and 1.6518. From score *du* obtained score $4-du = 2.3482$, so that $1.6518 < 1,712 < 2.3482$, so could conclude model used in the study this free from autocorrelation because fulfills condition $du < DW < 4 - du$.

Test Heteroscedasticity



Economic Value Added And

*indya Muhammad
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Figure 2. Heteroscedasticity Test Results

Based on picture 2, the pattern point distribution spread and is above the value of 0 (zero) so that the model used in the study this free from symptom heteroscedasticity.

Analysis Regression Linear multiple

Table 4. Results Analysis Regression multiple

Unstandardized Coefficients	
Model	B
(Constant)	83,801
X1 (EVA)	1,533
X 2 (MVA)	2.103

Based on the results data, so obtained equality as follows:

$$Y = 83,801 + 1,533X_1 + 2.103X_2 + e$$

From equality regression on, they could obtain the conclusion as follows:

1. Score constant () _ as big as 83,801 states if *economic value added* (X 1) and *market value added* (X 2) considered zero (0), so score price stock (Y) is as big as 83,801.
2. *the economic value-added* regression coefficient is obtained at 1,533 which shows a unidirectional (positive) relationship. This shows that 1% of the value of *economic value added* (X 1) gives an increase to the share price of 1.533%. The higher the value of *economic value added*, so the more increase also price share company which concerned.
3. *market value added* regression coefficient value is 2.103 which shows a connection which unidirectional (positive). The thing this shows is that 1% from the score *market value added* (X 2) gives enhancement to price share as big as 2.103%. The more tall score of *market value added* the more increase also price share company which is concerned

3. Test Statistics t

Table 5. Results Test t statistics

Model	t	Sig.
(Constant)	0.257	0.798
X1 (EVA)	2,969	0.004
X 2 (MVA)	8,594	0.000

The conclusion obtained by results data from test statistics *t* in table 5 is as follows:

1. Influence *economic value added* to price share
Based on table 4.6 obtained score *t* count > *t* table that is 2,969 > 1,672 and score significance as big as 0.004 < 0.05, so H 1 received so that could conclude that *economic value added* take effect positive and significant to the share price of mining sector companies that registered on the Stock Exchange Indonesia Period 2018-2020.
2. Influence *Market Value Added* to Price Share
Based on table 4.6 obtained score *t* count > *t* table that is 8,594 > 1,672 and score significance as big as 0.000 < 0.05, so H2 _ received so that could be concluded that

market value added has a positive and significant effect on the share price of mining sector companies listed in the Exchange Effect Indonesia Period 2018-2020.

Coefficient Determination (*Adjusted R2*)-

Table 6. Results Coefficient Determination (Adjusted R2) -

Model	R	R Square	Adjusted R Square
1	0.863	0.744	0.73

Based on table 6 above, the *adjusted R2 value is close to 1*, which is equal to 0.730, this shows that the contribution of *economic value added* and *market value added* affects the stock price by 0.730 or 73.0%, and the rest 27% influenced by variable other which no researched in a study this.

4. CONCLUSION

Based on the results analysis and discussion which has conducted, so results this study concludes that *economic value added* significantly influences positive and significant to price share company sector mining which is registered in Exchange Effect Indonesia period 2018-2020, so also *market value added* takes effect by positive and significant to price share company sector mining which registered in Exchange Effect Indonesian period 2018-2020

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