Influence Of Liquidity Ratios, Solvency And Profitability Against Share Prices

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Article Info	ABSTRACT
Keywords: liquidity ratio, solvency, profitability, share price	The aim of this research is to determine empirical evidence of the influence of liquidity, solvency and profitability on share prices in mining sector companies. This research is a type of quantitative research. The population in this research is mining sector companies during 2019-2022. The sampling method in this research used a purposive sampling method, with a total of 79 observations. The research method used is panel data regression analysis techniques and uses the STATA (Statistics and Data) application tool. The test results prove that the liquidity ratio proxied by the current ratio (CR) and solvency proxied by the debt to equity ratio (DER) have no effect and are not significant on stock prices, the profitability ratio proxied by return on equity (ROE) has an effect and is significant on stock prices.
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INTRODUCTION

As economic development progresses due to increased communication, various companies will carry out business development and funding activities for business expansion in various ways so that investors can obtain greater profits. Investment is the act of investing a certain amount of money now with the hope that it will provide results that exceed the amount invested in the future (Tandelin , 2017) . Mining sector companies have an important role in the financial, monetary and real economic sectors. One of the country's largest revenues also comes from the mining sector, so it is a suitable criterion for investors in choosing investments. Therefore, share price movements and investor risks are very important concerns to support the movement of the business world. In this research, the companies studied are mining companies listed on the Indonesia Stock Exchange (BEI) in the 2019-2022 period. Researchers are of the opinion that the mining sector is a sector with a fairly high market capitalization compared to other sectors.

According to Septiana (2019), Liquidity ratios calculate a way to measure or describe a company's ability to fulfill its obligations when payment is received, including obligations to external or internal parties. The solvency ratio itself is a measuring tool to find out how a company can maximize its obligations. The profitability ratio is a measure used to evaluate a company's ability to generate profits (Kasmir, 2014). To support this research, the following studies are listed and used as references and benchmarks for this research. Research conducted (Manullang et al . 2019) , with test results showing that partially Earning Per Share (EPS) has a positive and significant effect on share prices. The effect of Return On Equity

(ROE) is very significant on share prices. Debt to Equity Ratio (DER) and Quick Ratio (QR) has no effect and is not significant on share prices. The research results also show that ROE, DER, QR, CR simultaneously influence share prices in mining sector companies for the 2014-2018 period.

Research conducted by (Partomuan 2021) , with research results showing that the variable Current Ratio (CR), Return On Equity (ROE) has no partial effect on share prices, while Debt to Equity Ratio (DER) has a partial effect on stock prices. Current Ratio (CR), Debt to Equity Ratio (DER), Return On Equity (ROE) simultaneously influence stock prices. Research conducted by (Saragih 2021) , with research results showing that the liquidity variable has a positive but not significant effect on stock prices. The solvency variable has no effect on share prices. The profitability variable has a significant positive effect on share prices in listed mining companies on the Indonesian stock exchange in 2017-2019. Based on the explanation of the research background above , the researcher plans to conduct research with the title "The Influence of Liquidity, Solvency and Profitability Ratios on Share Prices in Mining Sector Companies on the Indonesian Stock Exchange in 2019-2022".

METHOD
Types of research
Researchers use quantitative as a type of research. Method Quantitative is a method of using numbers as an analytical tool and the analysis uses statistics. This method is called the positivism method or traditional method because this method meets scientific laws, namely measurable and systematic (Tehubijuluw Zacharias, Wenno, 2019).

Data Types and Sources
The type of data used in this research is secondary data. Secondary data is data obtained/collected and combined by previous studies or published by various other agencies. Usually indirect sources are documentation data and official archives. The author obtained data sourced from secondary data, namely annual published financial report data report), which consists of financial position reports, comprehensive profit and loss reports, and cash flow reports for mining sector companies that have been listed on the Indonesia Stock Exchange for 2019-2022 via the website idx.co.id and company website .

Population and Sample
The population in this research is mining sector companies listed on the Indonesia Stock Exchange (BEI) during the 2019-2022 period, namely 73 companies. The sampling technique used in this research is based on a purposive sampling method with the following criteria: 1. The sample company is a mining company, 2. Mining companies listed during the 2019-2022 research year, 3. Mining companies that have issued financial reports for 4 years from 2019-2022 on the Indonesian Stock Exchange, 4. Mining companies with profits between 2019-2022. From the considerations above, the sample that meets the research criteria is 29 companies from a population of 73 companies and using financial reports for 4 years from 2019-2022, a total of 116 data will be studied.

Data analysis technique

Data analysis techniques are describing what analysis techniques will be used by researchers to analyze the data that has been collected, including testing it. The type of data used in this research is quantitative data, namely numerical or numeric data. So the data analysis model used to determine the effect of liquidity ratios (CR), solvency (DER) and profitability (ROE) on share prices in mining sector companies listed on the Indonesia Stock Exchange in 2019-2022 is panel data regression analysis . In carrying out regression, researchers used the STATA 17 application.

Operational Variables

Table 1. Measurement of operational variables

Variable	Operational Variables
Stock price	Closing Price
Current ratio	$\dfrac{Aktia\ Lancar}{Hutang\ Lancar} \times 100\%$
Debt To Equity Ratio	$\dfrac{Total\ Hutang}{Total\ Ekuitas} \times 100\%$
Return On Equity	$\dfrac{Laba\ Bersih\ Setelah\ Pajak}{Total\ Ekuitas} \times 100$

RESULTS AND DISCCUSION

Based on the results of the statistical description analysis, in Table 1 the following will show the characteristics of the sample used in this research including: number of samples (N), sample average (mean), maximum value, minimum value and standard deviation for each variable .

Table 2 Results of Descriptive Statistical Analysis

Variable	N	Mean	Std . Dev .	Maximum	Minimum
Close Price	79	6,888	1.68 5	10.57	3.91
CR	79	2.08 3	1,726	10.07	0.01
DER	79	1.76 0	5,090	45	0.10
ROE	79	6,671	9,714	46.5	0.01

Source: STATA 17 output results , data processed

Table 2 above shows that the number of observations in this study was 79 (the result of multiplying the research period of 4 years / observation period with a sample size of 29 companies). The average CR value is 2.082785 from 2019 to 2022, with a maximum value of 10.07 and a minimum of 0.01. The CR standard deviation is 1.726222. Current variable ratio having a maximum value of 10.07 indicates a good company and is said to be able to meet its short-term obligations, so many investors are willing to buy shares or invest their

capital in the company. The average (mean) value of DER is 1.76 from 2019 to 2022, with a maximum value of 45 and a minimum of 0.10.

The standard deviation of DER is 5.090349. Debt variable to equity ratio has a maximum value of 45 indicating higher debt to equity ratio the lower the equity ownership compared to debt, the more likely it is that the company will have difficulty repaying or paying off debt. The average (mean) value of ROE is 6.671266 with a maximum value of 46.5 and a minimum of 0.01. The standard deviation is 9.714296. The Return On Equity variable has a maximum value of 46.5, the greater the ROE, indicating that the company is able to produce maximum returns with minimal capital/equity, making it easier to attract investors to invest.

Table 3. Regression Test Results

Close Price	Coef .	Std . Errr	t	P>t
CR	- 0 .015	0 .043	-0.36 0	0.721
DER	- 0 .01 6	0 .015	-1.04 0	0.301
ROE	- 0 .02 1	0 .006	-3.29 0	0.002
_cons	7.08 6	0 .11 2	63.32 0	0,000

Source: STATA 17 output results , data processed

The results of the analysis as shown in Table 3 show that the significance of the partial effect shows that of the three hypothesized independent variables, none of them influences the CR share price (sig 0.721) and DER with sig (0.301), ROE (sig 0.002). Based on the coefficient of determination (R 2) the R- Square value in this study it was 0.2035 or 20%. These results indicate that the independent variables used in this regression equation have a 20% match in explaining stock prices. Meanwhile, the remaining 80% is explained by other variables not included in this research model.

The research results show that H0 is accepted and H1 is rejected because the P- Value (P>t) is more than 0.05, namely 0.721 with a coefficient value of -.0154654. The P- Value is more than 0.05, so it is concluded that the CR variable does not significantly influence stock prices. This research supports research by Meythi, En, and Rusli (2011) , Wingsih (2012) which states that CR has no significant effect on stock prices. However, this research contradicts research carried out by (Dermawan 2019) who stated that liquidity as proxied by CR has a significant positive influence to share prices.

Second, partially Debt to Equity Ratio (DER) has a negative and insignificant effect on share prices. This research supports the results of research by Wahyuni et al (2021) , Thea (2021) said that DER had a negative and insignificant effect on share prices. Return On Equity has a negative and significant influence on share prices. Based on the research results, Return On Equity has a negative effect of -.0206084, meaning that if the Return On Equity is lower , the share price will fall. The results of this research are in line with research conducted by Waskito and Faizah (2021) , who said that Return On Equity has a negative and significant effect on share prices.

CONCLUSION

Based on the analysis results, it is known that Current Ratio (CR), Debt To Equity Ratio (DER) no influential to price shares , meanwhile Return On Equity (ROE) is a factor that has a negative effect on share prices. His height the rate of return on equity makes price share down. This research has been carried out in accordance with scientific procedures, however it still has limitations, namely: 1. The factors that influence share prices in this study only consist of three variables, namely liquidity, solvency and profitability, while there are many other factors that influence share prices. 2. The sample in this study only uses the mining sector which is listed on the Indonesia Stock Exchange in 2019-2022.

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