The Effect of Earning Per Share (EPS), Return On Equity (ROE) And Debt to Equity Ratio (DER) To Stock Price (Study On Mining Companies and services Listed In Indonesia Stock Exchange Period 2015-2019.

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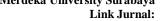
ABSTRACT

This study aims to determine the effect of earnings per share (EPS), return on equity (ROE) and debt to equity ratio (DER) simultaneously and partially to stock prices in mining companies and services listed on the Indonesia Stock Exchange period 2015-2019. The population in this study is the financial statements of mining companies and services listed on the Indonesia Stock Exchange period 2015-2019 as many as 12 companies. The sampling technique used is purposive sampling method. Based on the research criteria there are 10 companies that meet the criteria of sampling. Data were obtained from financial reports published by Indonesian Capital Market Directory (ICMD) and collected by documentation method. To analyze the data used (1) classical assumption test consisting of normality test, multicollinearity test, autocorrelation test and heteroscedasticity test, (2) multiple linear regression test and (3) hypothesis test consisting of coefficient of determination, simultan significant test (f-test) and partial significant test (t-test). Based on the test results of determination coefficient magnitude Adjusted R Square value of 0,721 or 72,1%. This means that the influence of EPS, ROE and DER variables to the stock price is 72,1% and the remaining 27,9% is influenced by other variables that do not enter into this model/observation. The results showed that simultaneously EPS, ROE, and DER variables significantly influence the stock price. Partial test results show the earning per share (EPS) has a positive and significant effect on stock prices. Variable return on equity (ROE) has a negative and insignificant effect on stock prices. While the variable debt to equity ratio (DER) has a negative and insignificant effect on stock prices.

Keywords: Earning Per Share (EPS), Return On Equity (ROE), Debt to Equity Ratio (DER), and Stock Price

INTRODUCTION

The role of the capital market is becoming increasingly important, considering the function of the capital market as a meeting place for those who need funds and those who want to invest their capital. The capital market is one of the strengths for companies to mobilize public funds. The capital market is an alternative for companies to obtain funding sources. For investors, the capital market is a means to invest in securities, but in the business world, almost all investments contain risks. In relation to investment in securities, investors are expected to be at risk in relation to the expected rate of return. Two possibilities faced by investors are obtaining the greatest profit with a certain risk or profit with a small risk (Husnan, 2001:169).

Mining companies are also one of the pillars of a country's economic development where its role is as a provider of energy resources that are indispensable for the economic growth

of a country. Based on the description of the background above, the problems that will be studied in this study are "The Effect of Earning Per Share (EPS), Return On Equity (ROE) and Debt to Equity Ratio (DER) on Stock Prices (Study on Mining Companies Listed in Indonesia Stock Exchange Period 2015-2019).

RESEARCH METHODS

This type of research is a quantitative research because the data presented in the form of numbers. Quantitative research methods can be interpreted as research methods based on the philosophy of positivism, used to examine certain populations or samples, data collection using research instruments, quantitative/statistical data analysis, with the aim of testing predetermined hypotheses (Sugiyono, 2006:13)

This research uses causal-comparative research. Causal comparative research (causal-comparative research) is research with the characteristics of the problem in the form of a cause-and-effect relationship between two or more variables. Researchers can identify facts or events as variables that are influenced (dependent) and conduct investigations on variables that influence (independent) (Indriantoro and Supomo, 2002:27).

RESULTS AND DISCUSSION

Based on the test results of determination coefficient magnitude Adjusted R Square value of 0,721 or 72,1%. This means that the influence of EPS, ROE and DER variables to the stock price is 72,1% and the remaining 27,9% is influenced by other variables that do not enter into this model/observation. The results showed that simultaneously EPS, ROE, and DER variables significantly influence the stock price. Partial test results show the earning per share (EPS) has a positive and significant effect on stock prices. Variable return on equity (ROE) has a negative and insignificant effect on stock prices.

Table 1. While the variable debt to equity ratio (DER) has a negative and insignificant effect on stock prices.

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.242	3	3.747	34.639	.000[a]
	Residual	3.895	36	.108		
	Total	15.137	39			

a. Predictors: (Constant), Debt to Equity Ratio, Return On Equity, Earning Per Share

b. Dependent Variable: Harga Saham

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.845	.208		8.852	.000
Earning Per Share	.647	.090	.824	7.205	.000
Return On Equity	-.001	.005	-.025	-.230	.820
Debt to Equity Ratio	-.117	.111	-.102	-1.053	.299

a. Dependent Variable: Harga Saham

CONCLUSION

Based on the results of research on the effect of EPS, ROE and DER on stock prices in mining companies listed on the Indonesia Stock Exchange for the 2015-2018 period, the following conclusions can be drawn:

1. The results of the partial significant test (t-test) show that:

   1) EPS variable has a positive and significant effect on stock prices in mining companies on the Indonesia Stock Exchange.

   2) The ROE variable has a negative and insignificant effect on stock prices in mining companies on the Indonesia Stock Exchange.

   3) The DER variable has a negative and insignificant effect on stock prices in mining companies on the Indonesia Stock Exchange.

2. Simultaneous significant test results (F-Test) show that the variables EPS, ROE and DER together have a significant effect on stock prices in mining companies on the Indonesia Stock Exchange.

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