EFFECT OF ROA, NPM, CR, EPS ON STOCK PRICES IN CONSUMER GOODS COMPANIES

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Abstract

This study aims to determine the effect of ROA, NPM, CR, and EPS simultaneously and partially on stock prices in consumer goods companies listed on the IDX for the period 2017 – 2020. This study uses a population of 53 consumer goods companies listed on the IDX for the 2017period – 2020. The method used in this study is a quantitative method. The data used are secondary data registered through the official website www.idx.co.id and www.idn.financials.com. In this study, the sample was taken using purposive sampling technique. This research was tested using the classical assumption test. The data investigation method used was the multiple linear regression method. The results showed that partially ROA, CR, and EPS had a significant effect on stock prices partially and NPM had a positive and significant effect on stock prices. IDX for the period 2017 – 2020.

Keywords: ROA, NPM, CR, EPS, Stock Price

INTRODUCTION

EFFECT OF ROA, NPM, CR, EPS ON STOCK PRICES IN COMPANIES Stock prices are market prices determined through the mechanism of supply and demand in the capital market. This stock price makes investors invest their funds in the capital market because it can reflect the rate of return on capital. However, in the business world, it is not always profitable, so there are many factors that investors must consider before investing.

Stock prices always change every second, both from internal and external factors. Companies are able to get big profits due to the large number of people's demands for products, so if the company gets big profits, the company can increase profits. On the other hand , if the public 's demand does not meet the target for production , the company can suffer huge losses .

What benefits do financial ratios have if they can be used to predict phenomena that will occur, one of which is stock prices. Therefore, this study was conducted to examine each financial ratio by determining the existence of a variable influence on the company. The ratio used in this study is the activity ratio using the return on assets, net profit margin, current ratio, and financial leverage variables (Kasmir 2014: 110). While the financial ratio that measures the amount of net income obtained from earnings per share is earnings per share. shares (EPS).

Developments in very tight competition, causing competitive advantage to have developed and involve the importance of the company's financial performance. Therefore, it is very important to further study the company's financial performance. Return on Assets is an indicator to measure the company's financial performance and is a profitability ratio used to measure the company's effectiveness in generating profits for its total assets.

The ratio that measures the amount of a company's net profit compared to its sales is called the net profit margin. This ratio interprets the company's level of efficiency, namely the extent to which the company's ability to reduce its operational costs in certain periods. The higher the ratio value, the company's ability to earn a profit through sales is quite high and the company's ability to reduce costs is quite good. On the other hand, the lower the ratio value describes the company's ability to earn profits through sales, which is considered quite low and the company's ability to reduce costs is considered less good so that investors do not invest their funds. This resulted in the company's stock price also experienced a decline.

A high current ratio may indicate that there is excess cash compared to the level of need or the presence of an element of current assets that is low in liquidity (such as inventory) in excess. The high current ratio is indeed good from the point of view of the creditor holders, but from the point of view of the shareholders it is not profitable because current assets are not utilized effectively. On the other hand, a low current ratio is relatively riskier, but indicates that management has operated current assets effectively. The cash balance is kept to a minimum according to
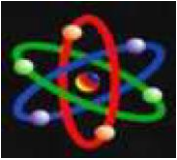
the needs and the level of receivables and inventory turnover is maximized.

Earnings per share (EPS) is a comparison between a company's net profit and the number of shares outstanding in the capital market, and shows the value of the company that is reflected in each share from the shareholder's point of view. The higher the ratio, the greater the profit and the increase in the amount of dividends received by shareholders, this shows that the company's financial performance has increased and the company's ability will be greater in generating net profits from each share. The size of this ratio can affect stock prices, so investors will be interested in buying shares.

Several studies on stock prices have been carried out by previous researchers. one of which is done by Pramita ika oktaviani et al (2015) which is to analyze the effect of fundamentals on stock prices in manufacturing companies listed on the IDX by assuming that stock prices are influenced by, ROA, ROE, NPM and DAR. After testing the hypothesis, it was found that the results of fundamental factors such as ROA and DER variables had a partial significant effect on stock prices, while ROE and NPM had no partial effect on stock prices.

Therefore, the company selected by the author in this study is a consumer goods company listed on the Indonesian stock exchange for the 2019-2020 period. Consumer goods companies are companies that produce the needs of the general public. for example; food, beverage, tobacco manufacturers, pharmaceuticals, cosmetics, household appliances.

RESEARCH METHODS

Research methodology is a systematic step that is needed in going through the process where we are able to work on various problems in the research carried out.

Quantitative methods are experimental and survey research methods according to (Sugiyono 2018:7). The quantitative method is called the traditional method, because this method has been used for a long time. So it has been a tradition as a method for research, this method is called a quantitative method because the research data are numbers and numerical analysis (Sugiyono 2016:7).

As stated by Sugiyono (2017: 117) population is an area of speculation consisting of goods or subjects that have certain characteristics and qualities that are controlled by experts to be concentrated and then determined.

The sample in this study used the purposive sampling method, namely the sample selection method based on the criteria to obtain a representative sample of the research population (Sugiono 2017). The sample selection criteria are as follows:

No	Criteria	Quantity
1	Consumer goods companies listed on the Indonesia Stock Exchange 2017- 2020	53
2	Companies that do not publish their financial statements consecutively from 2017-2020	(6)
3	Companies that suffered losses during the 2017-2020 period	(26)
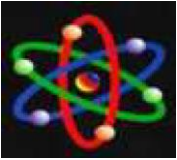
4	The number of samples in the researcher	21
5	Number of samples in 4 years (4 x 21)	84

Table 1. Sample Selection Criteria

The total sample used in this research is 21 samples and then multiplied by 4 research periods, the data for the number of studies is 84.

Research variables according to Sugiyono (2015, p.38) are attributes or properties or values of objects or activities that have certain variations that have been determined by researchers to be studied and then drawn conclusions.

Multiple linear regression analysis is a regression analysis that measures the strength of the relationship between two or more variables, also showing the direction of the relationship between the dependent variable and the variable.

independent (Ghozali, 2006: 82). This regression analysis was used to determine whether the research hypothesis proved significant or not.

This analysis is intended to determine whether or not there is an effect of return on assets (ROA), net profit margin (NPM), current ratio (CR), earnings per share (EPS) on stock prices. In this study, the multiple linear regression equation determined was as follows: following :

$Y = Share\ Price$

$a = Constant$

$b1, b2, b3, b4 = regression\ efficiency\ X1 = ROA$

$X2 = NPM$

$X3 = CR$

$X4 = EPS$

$e = Standard\ Error(5\%\ error\ rate)$

The analysis of determination is used to determine the percentage of the balance of the influence of the independent variables simultaneously on the dependent variable. In this $R2$ determination test using R square where the regression used is more than 2 independent variables (Santoso in Priyatno: 2010, 66).

RESULTS AND DISCUSSION

This descriptive statistic has a function to be able to find out the financial data that has been processed by looking at the size of the data distribution, data centering, and the size of the data spread.

Overall descriptive statistical data in this study were 84 data from 21 companies as samples multiplied by 4 years of the research period (2017-2020). The results of the descriptive statistics test in the research that has been done are as follows:

DescriptiveStatistics					
	N	Minimum	Maximum	Mean	Std. Deviation
ROA	84	-4,280	-,641	-2,48643	,793380
NPM	84	-4,033	-,757	-2,57777	,746029
CR	84	-,291	2,546	,89799	,574956
EPS	84	-2,736	4,909	,52795	1,752305
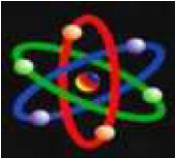
HargaSaham	84	4,54	11,34	7,4226	1,57441
ValidN(listwise)	84				

Table 2. Descriptive Statistics

Based on table, it shows that:

1. Return on assets (ROA) has a minimum value of -4.280 and a maximum value of -0.641, and the average value is -2.48643 and a standard deviation of 0.793380.

2. Net profit margin (NPM) has a minimum value of -4.033 and a maximum value of -0.757, and an average value of -2.57777 and a standard deviation of 0.746029.

3. Carrent ratio (CR) has a minimum value of -0.291 and a maximum value of 2.546 and an average value of 0.89799 and a standard deviation of 0.574956.

4. Earning per share (EPS) has a minimum value of -2.736 and a maximum value of 4.909, and the average value is 0.52795 and the standard deviation is 1.752305.

5. The stock price has a minimum value of 4.54 and a maximum value of 11.34, and an average value of 7.4226 and a standard deviation of 1.57441.
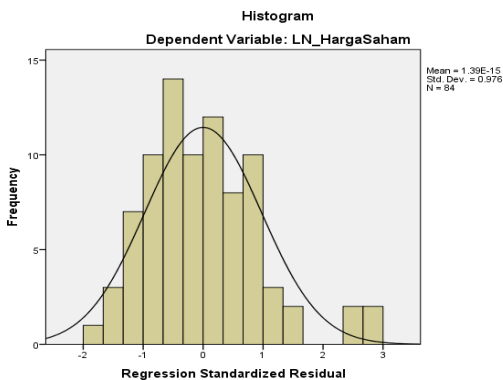

Figure 1. Histogram

In the picture above, the histogram graph after Ln can be seen that the data is normally distributed because the histogram graph is symmetrical because it does not tilt to the left and right. It can also be seen that the diagonal line equally divides the two sides symmetrically to the histogram, so it can be concluded that the data is normally distributed. In addition to the histogram, the probability plot graph (P-Plot) can also show the results of the normality test which can be seen from the diagonal line followed by a moving plot.
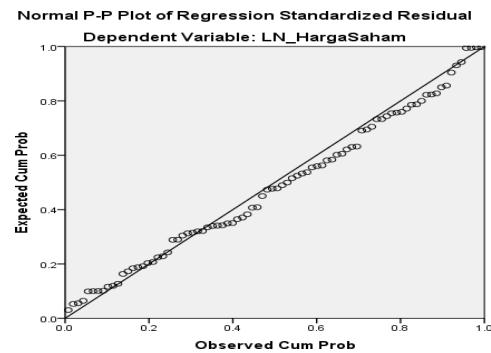

Figure 2. P-P Plot Normality Test

Tabulation of Normal Probability Plot from Figure III.2, it can be seen that the data is normally distributed in this situation, seen from the points (data) that overshadow the diagonal line, so that this research method is quite used.

Non-parametric statistic One Sample Kolmogrov-Smirnov Test (K-S) was used for normality testing in his research. In making decisions on distribution data, conditions can be found, including:
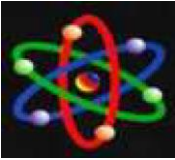
1. If the significant value is > 0.05 then it can be said to be normally distributed.

2. If the significant value is <0.05, it can be said that the distribution is not normal.

N		84
NormalParameters[a,b]	Mean	,0000000
	Std.Deviation	1,02319382
MostExtremeDifferences	Absolute	,067
	Positive	,067
	Negative	-,046
TestStatistic		,067
Asymp.Sig.(2-tailed)		,200[c,d]

Table 2. One Sample Kolmogorov-Smirnov Test

a.   Test distribution is Normal.
b.   Calculated from data.
c.   Lilliefors Significance Correction

Based on the results of the One Sample Kolmogorov-Smirnov Test (K-S) obtained a significant value of 0.200> 0.05, it can be concluded that the data after the transformation is normally distributed and has met the normality assumptions.

Model	CollinearityStatistics	
	Tolerance	VIF
1 LN_ROA	,361	2,773
LN_NPM	,394	2,537
LN_CR	,902	1,109
LN_EPS	,756	1,322

Table 3. Multicollinearity Coefficients Test

The multicollinearity test in table 3.3 shows that this can be seen from the numbertolerance on ROA is 0.361 > 0.10, NPM 0.394 > 0.10, CR 0.902 > 0.10 and EPS 0.756 >0.10. The results of the VIF

ROA were 2.773 < 10, NPM 2.537 < 10, CR 1.109 < 10 and EPS 1.322 < 10.

So it can be concluded from the results of the multicollinearity test above, the data shows that there is no correlation between the independent variables, because it can be seen that the output tolerance value is > 0.1 and the VIF value is < 10.

Model	R	R Square	Adjusted RSquare	Std. Error oftheEstimate	Durbin-Watson
1	,759[a]	,576	,555	1,05020	1,9555

Table 4. Autocorrelation Model Summary

Predictors:(Constant),LN_EPS,LN_CR,LN_NPM,LN_ROADependentVariable:LN_HARGASAHAM

Based on the table above states that to determine this test can be used using Durbin Watson, namely by looking at dl < dw < 4-du, where k = 4 is the independent variable and n is the number of samples so that the resulting value of dl is 1.7462, dw is 1.955 and the value of du is 2.2538 so 1.7462 <1.955 < 2.2538 which means that this data does not have autocorrelation and is normally distributed.
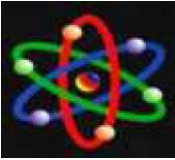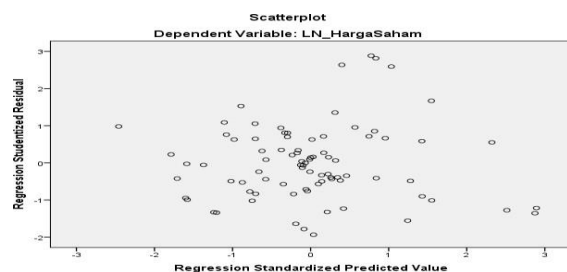

Figure 3. Scatterpot

The results of the scatterplot graph test show that the data spreads below and

above the zero line in the Y axis. So it can be concluded that the heteroscedasticity

test in this study did not occur heteroscedasticity symptoms.

Coefficients^a

Model	UnstandardizedCoefficients		StandardizedCoefficients	t	Sig.
	B	Std.Error	Beta		
1 (Constant)ROA	,475	,105		4,542	,000
	,315	,576	,078	,547	,586
NPMC REPS	-,887	,698	-,181	-1,271	,207
	-,016	,024	-,074	-,661	,510
	-,002	,002	-,076	-,652	,516

Table 5. Glejser Test

From the results of the table above, it is concluded that the results obtained using the Glaser test results from the independent variables are not significant below 0.05, because the value of ROA = 0.586, the value of the NPM variable = 0.207, the value of CR = 0.510 and the value of EPS = 0.516. From the data

above, the significant value is greater than the value of 0.05 (sig>0.05). It is concluded that the regression model does not have the effect of heteroscedasticity. Because the results of this table are in line with or consistent with the results of the scatterpolts.

Model	UnstandardizedCoefficients		StandardizedCoefficients	t	Sig.
	B	Std.Error	Beta		
1 (Constant)LN_ROALN_NPMLN_CR	10,694	,550		19,448	,000
	1,169	,242	,589	4,838	,000
LN_EPS	-,100	,246	-,047	-,406	,686
	-,854	,211	-,312	-4,049	,000
	,274	,076	,305	3,627	,001

a. Dependent Variable: LN_HargaSaham

Table 6. Multiple Linear Regression Analysis Equation Coefficientsa

Calculate the multiple linear regression equation as follows, namely:Share Price = 10,694 – 1,169 ROA – 0.100 NPM – 0.854 CR + 0.274 EPS

From the multiple linear regression calculation, it can be described below:

1. The constant (a) of 10,694 states that if the return on assets, net profit margin, current ratio, and earnings per share are

constant and have a value of 0, the stock price will increase by 10,694.

2. The number of regression coefficients on the return on assets variable has a value of 1.169, if the value of the regression coefficient of return on assets has increased by 1 unit then the value of return on assets will increase by 1.169 to the stock price.

3. The regression coefficient on the net profit margin variable has a value of -0.100, if the regression coefficient value of the net profit margin has decreased by 1 unit, the net profit margin value is -0.100 to the stock price.

4. The regression coefficient figure in the current ratio variable has a value of -0.854, if the regression coefficient value of the current ratio has decreased by 1 unit then the current ratio value is -0.854 to the stock price

5. The number of regression coefficients on the earnings per share variable has a value of 0.274, a positive value that occurs in the earnings per share regression

coefficient indicates the opposite direction to stock prices. Which means that if the earnings per share is 1 unit, it will result in an increase in value of 0.274 to the share price.

Model	R	RSquare	Adjusted RSquare	Std. Error oftheEstimate
1	,768ª	,590	,569	,13888

a.Predictors: (Constant), LN_EPS, LN_CR, LN_NPM, LN_ROA   b.Dependent Variable: LN_HargaSahm

Table 7. Coefficient of Determination Test

The coefficient of determination (R^2) measures how far the model's ability to explain variations in the dependent variable is. Judging from the results of this study, the value of the Adjusted R Square is 0.569 or 56.9% through the dependent variable above the independent variables used, namely return on assets, net profit margin, current ratio, and earnings per share. And the remaining 43.1% explained the other independent variables studied in the study.

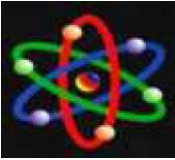| Model		Sum ofSquares	Df	MeanSquare	F	Sig.
1	Regression	2,192	4	,548	28,411	,000ᵇ
	ResidualTotal	1,524	79	,019		
		3,716	83			

a.   Dependent Variable: LN_HargaSaham

b.   Predictors: (Constant), LN_EPS, LN_CR, LN_NPM, LN_ROA

Table 8. Simultan F Test

In the simultaneous F test, the Fcount value is 28.411. The significant value in Ftable is 0.05 for df 1 = 4 and df 2 = 79, which is 2.487 . So, the results of the simultaneous F test obtained Fcount

28.411 > Ftable and a significant value of 0.000 <0.05 so that it can be explained that Ha is accepted and Ho is rejected, so the conclusion based on the results of the simultaneous F test can be interpreted that

the independent variable simultaneously has an effect on the dependent variable.

Model	UnstandardizedCoefficients		StandardizedCoefficients	t	Sig.
	B	Std.Error	Beta		
1	10,694	,550		19,448	,000
(Constant)LN_ROALN_NPMLN_CR LN_EPS	1,169	,242	,589	4,838	,000
	-,100	,246	-,047	-,406	,686
	-,854	,211	-,312	-4,049	,000
	,274	,076	,305	3,627	,001

a.Dependent Variable: LN_HargaSaham

Table 9. Parsialt Test

Table size = (alpha/2 ; n-k-1) = (0.05/2 ; 84-4-1) = (0.025 ; 79) = 1.99045. By comparing the partial test results with the magnitude of ttable , then:

1. Based on the results of the t-test in this study, it shows that the ROA variable has a tcount value of 4.838 > ttable 1.99045 with a significance of 0.000 > 0.05, therefore Ha is accepted and Ho is rejected. So it can be interpreted that the ROA variable has a partial effect on stock prices in consumer goods companies listed on the IDX for the 2017-2020 period.

2. Based on the results of the t-test in this study, it shows that the NPM variable has a tcount value of -0.406 > ttable 1.99045 with a significance of 0.686 > 0.05, therefore Ho is accepted and Ha is rejected. So it can be interpreted that the NPM variable does not have a partial effect on share prices in consumer goods companies listed on the IDX for the 2017-2020 period.

3. Based on the results of the t-test in this study, it shows that the CR variable has a tcount value of -4.049 > ttable 1.99045 with a significance of 0.000 > 0.05,

therefore Ha is accepted and Ho is rejected. So it can be interpreted that the CR variable has a partial effect on stock prices in consumer goods companies listed on the IDX for the period 2017 - 2020.

4. Based on the results of the t-test in this study, it shows that the EPS variable has a tcount value of 3.627 > t-table 1.99045 with a significance of 0.001 > 0.05, therefore Ha is accepted and HO is rejected. So it can be interpreted that the EPS variable has a partial effect on share prices in consumer goods companies listed on the IDX for the period 2017 – 2020.

From the results of research that has been studied, it was found that the value of the return on assets variable has a positive influence on the value of stock prices. This happens because the researchers found that the value of tcount (4.838) < ttable (1.99045) and the value of sig, = 0.000 > 0.05, therefore H0 was rejected and Ha was accepted. Then it can be concluded that the ROA variable has an effect on stock prices in consumer goods companies listed on the IDX for the period 2017 - 2020. The results of this study are in line

with research conducted by (Maskun 2012) and (Ika 2010) where ROA has a positive influence on stock prices.

From the results of research that has been studied, it was found that the value of the net profit margin variable had no effect on stock prices. because the results obtained are tcount (-406) < ttable (1.99045) and sig value, = 0.686 > 0.05, therefore Ho is accepted and Ha is rejected. Then it can be concluded that the net profit margin variable has no effect on stock prices in consumer goods companies listed on the IDX for the period 2017 - 2020. The results of this study are in line with research conducted (Samsudin 2011). This is because the average value of the net profit margin is lower than the stock price.

From the results of research that has been examined, it was found that the value of the current ratio variable has an influence on the value of stock prices. This happens because the researchers found the results that the value of tcount (-4.049) < ttable (1.99045) and the value of sig, = 0.000 > 0.05, therefore Ho was rejected and Ha was accepted. Then it can be concluded that the current ratio variable with individuals has an influence on stock prices in consumer goods companies listed on the IDX for the 2017-2020 period. The results of this study are in line with research conducted by Nurdawati 2018) and (Dita 2013) where the current ratio has an influence on stock prices.

From the research that has been researched, it was found that the variable value of earnings per share has a positive influence on the value of stock prices. This happens because the researcher found the

results that the value of tcount (3.627) < ttable (1.99045) and the value of sig, = 0.001 > 0.05, therefore Ho was rejected and Ha was accepted. Then it can be concluded that the earning per share variable individually has an influence on stock prices in consumer goods companies listed on the IDX for the 2017-2020 period. The results of this study are in line with research conducted (Valentino 2013) where earnings per share have a positive influence on stock prices.

From the results of the research above, the value of Ftable = 2.487 and the value of the real level 0.05. From the result value Fcount (28.411) > Ftable (2.487) with a significance of 0.000 <0.05. So it can be concluded that the value of Ho is rejected and Ha is accepted. Then the return on assets, net profit margin, current ratio and earnings per share variables simultaneously affect stock prices in consumer goods companies listed on the Indonesia Stock Exchange for the period 2017-2020.

CONCLUSION

In this study, the researchers concluded that:

1. Return on assets (ROA) has a significant effect on stock prices in consumer goods companies listed on the IDX for the 2017–2020 period.

2. Net profit margin (NPM) has no significant effect on stock prices in consumer goods companies listed on the IDX for the 2017–2020 period.

3. The current ratio (CR) has a significant effect on stock prices in
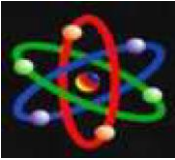
consumer goods companies listed on the IDX for the 2017–2020 period.

4. Earning per share (EPS) has a significant effect on stock prices in consumer goods companies listed on the IDX for the 2017–2020 period.

Return on assets, net profit margin, current ratio, and earnings per share have a simultaneous effect on stock prices in consumer goods companies listed on the Indonesia Stock Exchange for the 2017–2020 period..

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