

The Impact of Financial Performance on Stock Prices in Companies in the Property and Real Estate Sector

Dara Ayu Nianty

Institut Teknologi dan Bisnis Nobel Indonesia, Jl. Sultan Alauddin No.212, Mangasa, Kec. Makassar, Makassar City, South Sulawesi 90221

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Email Correspondence:

dara@stienobel-indonesia.ac.id

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ABSTRACT

The purpose of this research is to assess the impact of financial performance on stock prices for property and real estate sector companies trading on the Indonesia Stock Exchange between 2018 and 2020. The stock price is the independent variable in this analysis, while the current ratio (CR), return on assets (ROA), and debt to equity ratio (DER) are the financial ratios used to evaluate the company's performance. The Indonesia Stock Exchange served as the focus of this investigation. Tertiary sources are mined for information. There were 30 participants in total, 10 of which were businesses, and the study lasted for three years (2018-2020). Eviews 10.0 aided in the data analysis process, which involved the use of descriptive statistics and panel data regression. Stock prices in businesses in the Indonesian property and real estate sector were shown to be negatively affected by the Current Ratio (CR), positively affected by the Return on Assets (ROA), and unaffected by the Debt to Equity Ratio (DER).

ABSTRAK

Tujuan dari penelitian ini adalah untuk mengkaji dampak kinerja keuangan terhadap harga saham bagi perusahaan sektor properti dan real estate yang diperdagangkan di Bursa Efek Indonesia antara tahun 2018 dan 2020. Harga saham merupakan variabel independen dalam analisis ini, sedangkan current ratio (CR), return on assets (ROA), dan debt to equity ratio (DER) adalah rasio keuangan yang digunakan untuk mengevaluasi kinerja perusahaan. Bursa Efek Indonesia menjadi fokus penyelidikan ini. Sumber tersier ditambang untuk informasi. Total ada 30 peserta, 10 di antaranya adalah bisnis, dan penelitian berlangsung selama tiga tahun (2018-2020). Eviews 10.0 membantu dalam proses analisis data, yang melibatkan penggunaan statistik deskriptif dan regresi data panel. Harga saham pada bisnis di sektor properti dan real estat Indonesia terbukti dipengaruhi secara negatif oleh Current Ratio (CR), dipengaruhi secara positif oleh Return on Assets (ROA), dan tidak terpengaruh oleh Debt to Equity Ratio (DER).



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INTRODUCTION

The development of the property business in Indonesia has recently increased rapidly and is predicted to continue its trend in line with the growing demand for property. This increase in demand is also in line with the proliferation of apartment and housing developments in cities in Indonesia. The Real Estate Association (REI) revealed that the property business in Indonesia will continue to increase and can reach 20%-30% in the coming year.

Real estate investing is often cited as a low-risk industry. For instance, home prices have consistently risen over the years without ever falling. Despite the potential for a significant decline

in value, many investors are drawn to this sector. Both direct investments in real estate and investments in the stock of real estate businesses traded on the Indonesia Stock Exchange are viable options for the prudent investor. Careful deliberation and planning are essential for any investor who plans to put money into the stock market. The market price of the company is used as a benchmark in making investment decisions. The number of property and real estate firms trading on the Indonesia Stock Exchange rises each year. If there are more companies, investors will have more options from which to choose, and that could lead to a higher share price. The greater the number of buyers of stock, the greater the value of the company.

A shareholder's claim to the profits of a corporation or limited liability company is evidenced by the number of shares he or she owns in that entity (Larasati & Ramadhan, 2022). Shares, as we have seen, are capital market securities that shareholders have the option to buy directly from the corporation. To put it simply, a stock price is the current market price of a share of stock on a given exchange (Naftali et al., 2018). In such a short period of time, stock prices can rise or fall dramatically. The stock market's value can shift in a matter of minutes, or even seconds. As a result, it could be contingent on the number of people interested in purchasing shares as well as the number of people willing to sell.

Company financial performance, as revealed in the company's financial statements, is one element that can affect the rise in stock values (Azizah et al., 2020). A company's financial performance can be measured by examining how well it has followed the guidelines for implementing its financial strategies (Mulianita et al., 2019). The stock price's sensitivity to the company's financial performance can be determined by reviewing the company's financial statements. The liquidity ratio assesses a company's capacity to meet its urgent financial and short-term debts (Wardani et al., 2022). In this analysis, we used the Current Ratio as our measure of liquidity (CR). The CR variable was chosen because it is provided immediately in the financial accounts of the company, reducing the potential for human mistake in data entry and processing.

Financial performance's impact on stock prices is explained by signaling theory, which examines the ways in which a company's leadership communicates information to investors about the company's future (Brigham & Houston, 2021). Information and signals are the keys to understanding this theory and using it to foresee the future of a business. Financial statements are used by investors as a basis for making investment decisions since they contain information about a company's financial performance that could interest them. Several financial ratios are used to analyze financial statements. It stands to reason that if the financial statement analysis reveals strong performance for the company, investors will be more eager to purchase its stock, driving up its price on the stock exchange. On the flip side, a falling stock price in the capital market is a direct result of low demand for shares (Brigham & Houston, 2021)

Companies in the property and real estate subsector that are traded on the Indonesia Stock Exchange during the 2018-2020 observation period will serve as the focus of this study's analysis of the impact of financial performance on stock prices. For a variety of reasons, researchers have an interest in studying companies operating in the property and real estate sub-sector. Author is interested in researching "The Effect of Financial Performance on Stock Prices in Property and Real Estate Sector Companies Listed on the Indonesia Stock Exchange" due to the aforementioned context. Because of the discrepancies in studies, it is worthwhile to take another look at what affects

stock prices. The researcher can get a hypothesis like this one from the introductory explanation:

H1: Liquidity has a positive and significant effect on stock prices.

H2: Profitability has a positive and significant effect on stock prices.

H3: Solvency has a positive and significant effect on stock prices.

RESEARCH METHODS

This study takes a quantitative approach, which means that it primarily relies on the statistical examination of numerical data. This analysis focuses on a firm in the property and real estate sector that is traded on the Indonesia Stock Exchange (www.idx.co.id). The information for this study was gathered at the Universitas Muslim Indonesia Investment Gallery on the Indonesia Stock Exchange at KM. 5 of Jl. Urip Sumoharjo in Makassar, South Sulawesi. The estimated three-month duration of this study is from January to March of 2022. Secondary data were utilized for analysis purposes. Secondary data refers to information gathered for scientific purposes that is already available in other forms (obtained and recorded by other parties). We gathered this information from www.idx.com, the IDX's official website. Panel data regression analysis using Eviews 10 is performed.

RESULTS AND DISCUSSION

The Eviews 10 software was used to analyze the data collected for this investigation. The groundwork for determining the reliability and viability of this data has been laid. So, here are the findings:

Table 1. Stock Price List of Property and Real Estate sector companies listed on the IDX in 2018-2020

No	Code	Company Name	Share Price		
			2018	2019	2020
1	GPRA	Perdana Gapura Prima Tbk	110	76	75
2	BEAUTIFUL	Alam Sutera Reality Tbk	312	238	242
3	SMRA	Summarecon Agung Tbk	805	1.005	805
4	BKSL	Sentul City Tbk	109	85	50
5	CTRA	Ciputra Development Tbk	1010	1.040	985
6	SMDM	Suryamas Dutamakmur Tbk	138	119	103
7	JRPT	Jaya Real Property Tbk	740	600	600
8	MTLA	Metropolitan Land Tbk	448	580	430
9	PUDP	Pudjiati Prestige Tbk	480	300	230
10	PWON	Pakuwon Jati Tbk	620	570	510
Average			477,2	461,3	403

Source: Primary Data Processed (2022)

Table 1 shows that in 2020, BKSL's share price was at its lowest point of 50, while CTRA's was at its highest point of 1040, with an average share price of 447.1667. Each year's trend in the Stock Price data during the study year deviates at a rate of 322.2149 times the standard deviation, or 322.3318.

Table 2. Current Ratio Value of Property and Real Estate Companies listed on the Indonesia Stock Exchange in 2018-2022

No.	Company Code	Year	Liquidity		CR (%)
			Current Assets	Current Debt	
1	GPRA	2018	1.346,121	236,047	570,28
		2019	1.512.917	328.957	459,91
		2020	1.453.805	409.260	355,23
2	BEAUTIFUL	2018	1.449.848	2.224.534	65,18
		2019	2.521.030	1.923.805	131,04
		2020	2.158.001	3.198.161	67,41
3	SMRA	2018	10.498.095	7.229.216	145,22
		2019	11.150.744	9.017.332	123,66
		2020	11.888.917	8.359.155	142,23
4	BKSL	2018	4.547.349	3.093.284	147,01
		2019	4.726.295	3.303.530	143,07
		2020	4.588.731	3.270.161	140,32
5	CTRA	2018	16.151.959	7.229.216	202,03
		2019	18.195.176	8.368.189	217,43
		2020	20.645.596	11.609.414	177,83
6	SMDM	2018	886.958	388.229	228,46
		2019	914.972	442.630	206,71
		2020	920.069	366.957	250,73
7	JRPT	2018	3.923.648	3.480.039	112,75
		2019	3.882.837	3.385.768	114,68
		2020	4.198.170	3.244.809	129,38
8	MTLA	2018	2.775.578	901.882	307,50
		2019	3.490.754	1.257.895	277,51
		2020	3.228.851	1.225.524	263,47
9	PUDP	2018	153.016	38.656	395,84
		2019	260.249	63.865	407,50
		2020	239.235	32.460	737,01
10	PWON	2018	9.472.787	4.096.381	231,25
		2019	9.642.587	3.373.096	285,87
		2020	8.590.023	4.336.698	198,08

Source: Primary Data Processed (2022)

Table 2 shows that the lowest value of the Current Ratio indicated by ASRI was 65.18 in 2018, and the highest value was 737.01 by PUDP in 2020, with an average of 241.1613. The standard deviation is 151.3291, which translates to an annualized variation rate of 151.13291 for the present ratio data trend over the course of the study year.

Table 3. Return On Asset Value of Property and Real Estate Companies listed on the Indonesia Stock Exchange

No.	Company Code	Year	Profitability		ROA (%)
			Profit After Tax	Total Assets	
1	GPRA	2018	50.425	1.536.453	3,28
		2019	55.222	1.705.918	3,24
		2020	34.752	1.727.361	2,01
2	BEAUTIFUL	2018	970.586	20.890.925	4,65
		2019	1.012.947	21.894.272	4,63

No.	Company Code	Year	Profitability		ROA (%)
			Profit After Tax	Total Assets	
3	SMRA	2020	1.036.617	21.226.814	4,88
		2018	690.623	23.299.242	2,96
		2019	613.020	24.441.657	2,51
4	BKSL	2020	245.909	24.922.534	0,99
		2018	368.591	16.252.732	2,27
		2019	68.928	17.275.272	0,40
5	CTRA	2020	556.301	18.371.229	3,03
		2018	1.302.702	34.289.017	3,80
		2019	1.283.281	36.196.024	3,55
6	SMDM	2020	1.370.686	39.255.187	3,49
		2018	83.390	3.158.642	2,70
		2019	73.368	3.213.173	2,28
7	JRPT	2020	18.706	3.201.910	0,58
		2018	1.049.745	10.541.248	9,96
		2019	1.037.201	11.164.935	9,29
8	MTLA	2020	1.013.418	11.481.521	8,83
		2018	507.228	5.193.963	9,77
		2019	487.622	6.107.364	7,98
9	PUDP	2020	286.307	15.392.483	4,83
		2018	5.726	489.530	1,17
		2019	4.343	539.915	0,80
10	PWON	2020	23.445	521.632	4,49
		2018	2.826.936	25.018.080	11,30
		2019	3.239.796	26.095.153	12,42
		2020	1.119.113	26.458.805	4,23

Source: Primary Data Processed (2022)

According to the data in table 3, BKSL had a Return On Asset in 2019 of 0.40, while PWON's was 12.42, with an average of 4,544. In other words, the Return On Asset data for each year throughout the research year has a mean deviation of 3.338696 (or a standard deviation of 3.338696).

Table 4. Debt to Equity Ratio Value of Property and Real Estate Companies listed on the Indonesia Stock Exchange

No.	Company Code	Year	Solvency		DER (%)
			Total Debt	Total Capital	
1	GPRA	2018	454.440	1.082.013	42,00
		2019	573.167	1.132.751	50,60
		2020	674.113	1.053.247	64,00
2	BEAUTIFUL	2018	11.339.568	9.551.357	118,72
		2019	11.332.052	10.562.219	107,29
		2020	11.840.666	9.368.147	126,15
3	SMRA	2018	14.238.537	9.060.704	157,15
		2019	14.990.297	9.451.359	158,60
		2020	15.836.845	9.085.688	174,31
4	BKSL	2018	5.631.606	10.621.125	53,02
		2019	6.578.349	10.696.922	61,50
		2020	8.121.131	10.250.098	79,23
5	CTRA	2018	17.644.741	16.644.276	106,01
		2019	18.434.456	17.761.568	103,79

6	SMDM	2020	21.797.659	17.457.528	124,86
		2018	606.128	2.552.513	23,75
		2019	589.477	2.623.695	22,47
7	JRPT	2020	553.905	2.648.005	20,92
		2018	3.847.899	6.693.348	57,49
		2019	3.762.437	7.402.497	50,83
8	MTLA	2020	3.606.436	7.875.084	45,80
		2018	1.755.200	3.438.763	51,04
		2019	2.257.513	3.849.851	58,64
9	PUDP	2020	1.855.546	4.076.937	45,51
		2018	151.354	338.175	44,76
		2019	198.826	341.089	58,29
10	PWON	2020	204.280	317.352	64,37
		2018	9.706.398	15.311.681	63,39
		2019	7.999.510	18.095.643	44,21
		2020	8.860.110	17.598.695	50,35

Source: Primary Data Processed (2022)

Table 4 shows that the range of DER values for 2020 is from 20.92 (represented by SMDM) to 174.31 (represented by SMRA), with an average of 74,30167. The Debt to Equity Ratio data for each year during the study period has a tendency toward a deviation rate of 41.80559, as indicated by the standard deviation value of 41.80559.

Results of Panel Data Regression Model Determination

The Chow test, the Housman test, and the Lagrange Multiplier test are three options for determining the optimal model to utilize while working with Panel Data Regression (Nalarreason et al., 2019). The chow test is used to compare the Fixed Effect method of panel data regression to the Common Effect method and the regression of the panel data model without dummy variables. The F-value from the statistical test provides the criterion for this test. If the p-value is less than 0.05, then the null hypothesis (H0) is rejected, and the Fixed effect model is used for estimating the effects of the panels (Hsiao, 2022). The following table displays the outcomes of running the Chow test on the model:

Table 5. Chow Test Results

<i>Effects Test</i>	<i>Statistics</i>	<i>d.f.</i>	<i>Prob.</i>
Cross-section F	41.425295	(9,17)	0.0000
Cross-section Chi-square	93.974742	9	0.0000

Source: Primary Data Processed Eviews 10 (2022)

Table 5 shows that H0 is accepted on the basis of the data because the probability of the cross-section is less than or equal to 0.05 (i.e., 0.0000 0.05). As a result, we can say with 95% certainty that the Fixed Effect Model is preferable than the Common Effect Model.

In addition, the Hausman test establishes whether random or fixed effects are better appropriate when employing a panel data regression technique. If the p-value is less than 0.05, we reject H0 and choose the Fixed effect model for our panel regression estimation; if the p-value is more than 0.05, we accept H0 and go with the Random effect model (Hsiao, 2022). The following

table shows the outcomes of doing the Hausman test on the model:

Table 6. Hausman Test

<i>Test Summary</i>	<i>Chi-Sq. Statistics</i>	<i>Chi-Sq. d.f.</i>	<i>Prob.</i>
Cross-section random	7.729585	3	0.0519

Source: Primary Data Processed Eviews 10 (2022)

Based on the data in table 6, we may infer that H0 is true because its probability is greater than 0.05 (p0.05) and its significance value is greater than 0.05 (19p0.05). Thus, it is decided, with a 95% level of confidence, that the Random Effect Model is superior to the Fixed-Effect Model.

The chow and Hausman tests yielded the same findings, hence the LM test was required. If you're trying to estimate a set of panel data, you can find out if a common effect or random effect model will work best by performing a Lagrange multiplier test. The results of the Lagrange Multiplier test are shown in the table below.

Table 7. LM (Lagrange Multiplier) Test

<i>Null (no rand. effect) Alternative</i>	<i>Cross-section One-sided</i>	<i>Period One-sided</i>	<i>Both</i>
Breusch-Pagan	17.40629 (0.0000)	1.241533 (0.2652)	18.64782 (0.0000)
Honda	4.172084 (0.0000)	-1.114241 (0.8674)	2.162222 (0.0153)
King-Wu	4.172084 (0.0000)	-1.114241 (0.8674)	0.771114 (0.2203)
GHM	-- --	-- --	17.40629 (0.0001)

Source: Primary Data Processed Eviews 10 (2022)

Table 7 shows that H0 cannot be supported by the data when the likelihood of a false positive is less than 0.05 (or less than 0.00005%, respectively). As a result, we can say with 95% certainty that the Random Effect Model is preferable than the Common Effect Model. The "Random Effect Model" was selected as the best model after running the Chow test, LM test, and Hausman test.

The Outcomes of Regression Analyses on Panel Data

The optimum testing model for this investigation was found to be the Random Effect Model. Random Effect Model panel data regression estimates are as follows:

Table 8. Panel Data Regression Results

<i>Variables</i>	<i>Coefficient</i>	<i>Std. Error</i>	<i>t-Statistics</i>	<i>Prob.</i>
C	500.9928	136.4260	3.672267	0.0011
CR	-0.527517	0.207960	-2.536621	0.0175
ROA	15.51683	8.216357	1.888529	0.0702
DER	0.038789	1.247300	0.031098	0.9754

Source: Primary Data Processed Eviews 10 (2022)

Based on Table 8 above, a regression model equation is obtained between the dependent

variables of stock prices and independent variables (CR ROA and DER) as follows:

$$Y = 500.9928 - 0.527517X_1 + 15.51683X_2 + 0.038789X_3$$

In the following equation, the constant value of 500.9928 shows that the share price will remain at 500.9928 points regardless of changes to the CR, ROA, and DER; b) the CR coefficient (X1) of -0.527517 indicates that the CR (X1) has a negative effect on the Share Price (Y). One percentage point more in CR (X1) results in a -0.527517 point drop in share price (Y); c) A positive coefficient for return on assets (ROA) (X2) of 15.51683 suggests that ROA (X2) positively affects share price (Y) (Y). An increase of 1 point in DER (X2) results in a 15.51683 point rise in the Share Price (Y); d) A DER coefficient (X3) of 0.038789 indicates that DER (X3) has a positive effect on the Share Price (Y) (Y). It has been calculated that a one-point increase in DER (X3) will result in a 0.038789 increase in the Share Price (Y).

t-test (Partial Test)

Table 9. Partial Test Results

Variables	t-Statistics	Prob.
C	3.672267	0.0011
CR	-2.536621	0.0175
ROA	1.888529	0.0702
DER	0.031098	0.9754

Source: Primary Data Processed Eviews 10 (2022)

Table 9 shows the degree of significance of free variables to bound variables. The following will be partially described the influence of each variable in the study:

1. Effect of Current Ratio (X1) on Stock Price (Y)

The hypothesis tested in this analysis is that liquidity (as measured by the Current Ratio) has a significant and favorable impact on the value of stocks. Regression analysis test findings for the panel data showed a negative direction for the coefficient (X1 = -2.536621), and the probability value of X1 = 0.0175 0.05 meant that H0 was accepted while Ha was rejected. Stock prices respond negatively and significantly to changes in the Current Ratio (X1), as a result (Y). That the Current Ratio (X1) influences the Stock Price (Y) in a direction opposite to that of the Stock Price (Y) movement is a key indicator of whether the Stock Price will go up or down (Y).

2. Effect of Return On Asset (X2) on Stock Price (Y)

This investigation tests the hypothesis that ROA (Return On Assets) has a positive and significant effect on stock prices. Results from the regression analysis test indicated a positive trend for the return on asset (X2) coefficient (1.888529), while the probability value of X2 (0.0702 > 0.05) led to the acceptance of H0 and the rejection of Ha. That being said, we can conclude that X2's Return On Asset has a positive and negligible impact on the Stock Price (Y). This indicates that Return On Asset (X2) does not play a role in determining whether the Stock Price goes up or down, and instead acts in the same direction as the Share Price (Y)

3. Effect of Debt to Equity Ratio (X3) on Stock Price (Y)

Using regression analysis on panel data, we find that the value of X3 (Debt to Equity Ratio) is 0.031098, indicating a positive direction for the coefficient, and that the probability value of X3 (0.9754 > 0.05) causes H0 to be accepted and Ha to be rejected, thus confirming our hypothesis that

Solvency (Debt to Equity Ratio) has a positive and significant effect on stock prices. It follows that the Debt to Equity Ratio (X3) has a marginally favorable impact on the Stock Price (Y). This indicates that the Debt to Equity Ratio (X3) does not have a role in the increase or decrease of the Share Price (Y), and instead only affects it in the same manner (Y)

Determination Test

Table 10. Determination Test

<i>R-squared</i>	<i>Adjusted R-squared</i>
0.196201	0.103455

Source: Primary Data Processed Eviews 10 (2022)

The magnitude of R is 0.196201, as seen in table 10. This data demonstrates that 19.6% of the variation in the Stock Price can be attributed to explanatory variables (including CR, ROA, and DER). While the study variables account for 20.6% of the variance, other factors, such as Price to Book Value and Earnings Per Share, account for the remaining 80.4%.

Discussion

Effect of Current Ratio (CR) on Stock Price

The empirical findings reveal a negative and statistically significant impact of the Current Ratio on the Stock Price. Paradoxically, the Current Ratio was discovered to have a highly significant impact on the Share Price of Property and Real Estate Sector Companies Listed on the Indonesia Stock Exchange, as determined by the results of a partial t-test. That being said, the Current Ratio is a significant component in the stock price movement of property and real estate businesses traded on the Indonesia Stock Exchange. There was a negative finding for the Current Ratio (CR) in this investigation. A high Current Ratio (CR) does not guarantee that a company will generate a high share price return or that debt repayment will be made on time. If a company keeps more stock than it can sell, that's a red flag that it's not getting the most out of its current supply of goods.

Since dividends are paid in cash, which is part of the liquidity, liquidity is said to have a significant impact on dividend payments by Firdaus & Sedias (2017). A low current ratio indicates that there is not enough cash on hand to meet debt obligations. However, high ratio measurement findings may not necessarily indicate a healthy business. This is conceivable if money is not being used optimally (Cashmere, 2018). A greater ability to satisfy short-term financial obligations is indicated by a higher Current Ratio number. A high Current Ratio may not necessarily be a good sign for a business, as it may point to the presence of excessive and unproductive current assets (cash, securities, receivables, and inventory) (Sugeng, 2017). Consistent with other studies (Amrah & Elwisam, 2019; Dewi & Solihin, 2020; Krisna & Samara, 2021), this finding affirms the negative and considerable impact the Current Ratio has on stock prices.

Effect of Return On Asset (ROA) on Stock Price

The empirical findings revealed a positive and statistically insignificant impact of the Return On Asset variable on the Stock Price. Meanwhile, the t-test results for the subset of companies in the Property and Real Estate sector show that the Return on Asset has a negligible effect on the

Share Price of these companies on the Indonesia Stock Exchange. Thus, it can be concluded that the rise and fall of stock prices in Property & Real Estate companies listed on the Indonesia Stock Exchange is not much influenced by Return on assets.

According to Wijayani et al. (2022), stockholders and would-be stockholders evaluate a company's future return on investment by considering a number of criteria outside its assets before deciding whether or not to purchase shares. In most cases, a larger return on investment (ROI) indicates more profitability. It's commonly accepted wisdom that a rising share price is a sign of financial success for a corporation. It is not always the case that a rise in assets would result in a rise in the net profit value of a business. The Return on Assets (ROA) will be lower if the net profit value does not change or remains the same, but the value of the asset rises. Stock prices are less affected by this circumstance since it shows that the company has very little potential to turn a profit and manage both operational and non-operational expenses. Consistent with, this study's findings are in line with (Amrah & Elwisam, 2019; Lestari & Suryantini, 2019; Nurcahya & Aji, 2020). Research shows that Return on Assets (ROA) has a small but favorable impact on stock prices.

Effect of Debt to Equity Ratio (DER) on Stock Price

The results of the Debt to Equity Ratio have a positive and negligible effect on the Stock Price, according to the tests conducted. Partial testing (t-test) results for companies in the Property and Real Estate sector listed on the Indonesia Stock Exchange indicate that the Debt to Equity Ratio has a negligible effect on the share price of these firms. Therefore, it is safe to say that the Debt to Equity Ratio does not play a significant role in the Stock Price movement of Property and Real Estate companies listed on the Indonesia Stock Exchange. The Debt to Equity Ratio (DER) is an indicator of a company's financing and vulnerability to market fluctuations. If the debt is being put to good use, such as for capitalization purposes, then a lower Debt to Equity Ratio (DER) will lead to a better stock price. The stock price is sometimes used as a measure or yardstick of a company's performance. This investigation found that DER had an effect on the stock price of the investigated firm. Saham's price will rise inadvertently as DER rises, despite the fact that DER has no effect on Saham itself (Valianti, 2018).

The Debt to Equity Statistic (DER) is a type of financial ratio used to evaluate a firm's reliance on external funders to operate. A high DER indicates that the company will have a difficult time paying down its debt (Octaviani & Komalasari, 2017). It shows that some investors interpret DER differently, neither as a barrier or a cause for desire from investors to buy shares, and it will not alter fluctuations in stock prices. Due to the fact that all businesses need loans and that those debts will, at least in part, boost a company's production performance, investors don't put much stock in DER when making investment decisions. In this scenario, investors are more focused on the company's share type, which could contribute to future growth for the company and a subsequent rise in the stock price. The findings of this study are consistent with those of (Junaeni, 2017; Putri & Septianti, 2020). According to the results of the study, DER has a slight but positive impact on stock prices.

CONCLUSION

The following are the conclusions of this study based on the results and discussion: 1) Stock

prices in businesses listed on the Indonesia Stock Exchange in the Property and Real Estate sector are significantly impacted negatively by the Current Ratio. Which suggests that 1) a higher Current Ratio is bad for the stock price and 2) a higher Return On Asset has a positive but negligible effect on the share price of property and real estate companies trading on the Indonesia Stock Exchange. That is to say, the share price of property and real estate businesses traded on the Indonesia Stock Exchange responds positively and marginally to changes in the debt-to-equity ratio. Therefore, a higher debt-to-equity ratio is correlated with a higher stock price. It is anticipated that the study's findings will have far-reaching ramifications for similar studies in the future. As suggested by the findings, future studies should look at the topic for a longer time frame to better spot trends. We suggest selecting alternative industries or sub-sectors to examine the impact of financial performance on the share price of companies in those areas, as well as include additional variables that may be more powerful in influencing the stock price than those considered in this study. To accumulate as many useful findings as possible from studies in order to progress.

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