

ANALYSIS OF THE EFFECT OF PRICE EARNING RATIO, PRICE TO BOOK VALUE, EARNING PER SHARE, DEBT TO EQUITY RATIO AND RETURN ON EQUITY IN STOCK PRICE COMPANY LQ45 IN EXCHANGE EFFECT INDONESIA YEAR 2016-2020

Novilia Tawang Wulansari, Elwisam, Kumba Digdowiseiso

Management Study Program, Faculty of Economics and Business, National University Jakarta, Indonesia

Email: noviliatawangwulansari@gmail.com, elwisam@civitas.unas.ac.id,
kumba.digdo@civitas.unas.ac.id

Abstract

This research aims to analyze the influence of *price earnings ratio*, *price to book value*, *earnings per share*, *debt to equity ratio* and *return on equity* to price share on company LQ45 in Exchange Effect Indonesia year 2016–2020. Population in study this is company Index LQ45 Which listed on the Indonesian Stock Exchange (BEI), sampling was carried out randomly purposive sampling which met the criteria and which could be analyzed was 31 company from 45 company Index LQ45. Model regression linear multiple used to analyze this research, the data in this research was analyzed using the SPSS version 25 *software program*. *The results of this research show that price earnings ratio* influential positive And significant to price share, *price to book value* own influence positive And significant to price shares, *earnings per share* have a positive and significant influence on price share, *debt to equity ratio* own influence negative And No significant to price share, And *returns on equity* own influence negative And significant to price share.

keywords: *Price Earnings Ratio, Price To Book Value, Earnings Per Share, Debt To Equity Ratio, Return On Equity, Stock price*

INTRODUCTION

In a number of year final market capital in Indonesia experience development which significant. People are starting to get to know various investment instruments such as shares, mutual funds and bonds. Stock investment is one of the capital market instruments most popular with investors, because it can provide attractive capital gains. Shares are securities which are an instrument of proof of ownership or participation of an individual or institution in a company, whereas based on other terms, shares are a proof that someone has participated in becoming the owner of a company (Sapto, 2006:31)

The amount of demand and supply in the capital market influences share price fluctuations. Share price fluctuations describe how much investors want the share price of a company (Riyanto, 2011:240). The share price of a company is formed through a supply and demand mechanism in the capital market, if there is excess demand or the number of investors buying or holding shares increases, the share price tends to rise and conversely, if there is excess supply or investors sell their shares, the share price will tend to move down (Sartono , 2008:70) Share price movements that occur in the capital market are very interesting for investors to carry out analysis because share movements that are considered reasonable will increase investors' confidence in investing in a company (Achiriyantiningsih, 2013). One analysis that is often used by investors to see the fair price of shares on the Indonesian Stock Exchange is fundamental analysis and technical analysis. Fundamental analysis is an analysis method based on the financial performance of a company. Analysis these fundamentals The aim is to ensure that the shares purchased are shares of a company that is performing well. Thus, the company has positive expectations regarding the growth of its share price. Fundamental analysis will minimize the risk of buying shares that have the potential to be delisted from the stock exchange. Fundamental analysis is also used to analyze the reasonableness of the price of a share by comparing certain financial ratios with other shares operating in the same business (Tryfino, 2009: 8-9). Meanwhile, technical analysis is a method that uses market data or records to try to access demand and supply for shares, trading volume, individual or combined share price indices, and other factors of a technical nature (Husnan, 2003). Technical analysis is analysis based on stock price movements in accordance with historical statistical data on their movements over a certain period of time (Tryfino, 2009:18)

Fundamental analysis aims to find out that the shares purchased are shares that are performing well and companies that have positive expectations for the growth of their share prices. Fundamental analysis can also be used to analyze the fair price of a share, by using financial ratios you can find out the fair price of a share (Tryfino, 2009:8-9). A go public company is a company listed on the Indonesia Stock Exchange (BEI) that offers its company shares to investors. On the Indonesian Stock Exchange there are 7 types of stock price indexes, namely, Individual Stock Price Index (IHSI), Sectoral Stock Price Index (IHSS), Composite Stock Price Index (IHSG), LQ 45 Index, Sharia Index or JII (Jakarta Islamic Index), Main Board Index, and Kompas 100 index.

The LQ45 index is one of the stock index indicators on the Indonesia Stock Exchange which can be used as material for evaluating stock trading performance. The LQ45 Index is a stock index that is in great demand by investors. The LQ45 Index list changes period every time six month very which done on month February and August. Index LQ45 consists from 45 share selected through a number of selection criteria consisting of stocks with high liquidity and large market capitalization and supported by company fundamentals Which Good (Rinati, 2008:3).

Analysis of the Influence of *Price Earning Ratio*, *Price to Book Value*, *Earning Per Share*, *Debt to Equity Ratio* and *Return on Equity* on Share Prices in Lq45 Companies on the Indonesia Stock Exchange 2016-2020

To measure factors that influence prices share on index LQ45 in Exchange Effect Indonesia, in study This ratiofinance Which used is ratio market with use variableamong them *price earnings ratio* (PER), *price to book value* (PBV), *earnings per share* (EPS), *debt to equity ratio* (DER) And *returns on equity* (ROE).

Price earnings ratio (PER) is ratio Which used For measure level return capital invested on something company shares and measures the ability of the company's shares in produce profit. *Price earnings ratio* (PER) aim For predict When or How many time profit Which generated something company compared to with the share price in a certain period, the smaller *the price earnings ratio* (PER) of a stock, the better it is (Tryfino, 2009:12). *Price earning ratio* (PER) is an approach that can be used for determine mark intrinsic something share. If intrinsic value something share more tall compared to with price the market so share the *undervalued* so that should purchased. And if mark intrinsic something share more low compared to price the market, so share is classified as *overvalued* so these shares should not be purchased investors who own shares will sell those shares (Tandelilin, 2001:245) *Price earnings ratio* (PER) describe appreciation market on the company's ability to generate profits for investors, The higher *the price earnings ratio* (PER) of a stock, the better it is because share the including cheap. So, can concluded that *price Earning ratio* (PER) has a direct influence on prices shares (Darmadji & Fakhruddin, 2012:156).

Price to book value (PBV) is a comparison or calculation between market value and *book value* of a share. *Price to book value* (PBV) is also the book value/price per share of a share published. *Book Value* per share issued basically represents the amount of assets/equity owned by the company. *Price to book value* (PBV) functions to complete *the book value*. On analysis *book value* investors can only know the capacity per share from the valueshares, while on the *price to book value* (PBV) ratio investors can find out directly how many times *the market value* of a share has appreciated from its *book value* (Tryfino, 2009:9). The relationship between market prices and mark book per sheet share Can Also used as alternative approach to determining the value of a share (Tandelilin, 2001). *Price to Book value* (PBV) has an important role as a consideration investors to choose shares to buy and *price to book value* (PBV) can also be used as an indicator of stock prices or values (Ahmed & Nanda, 2004). *Price to book value* (PBV) is the ratio used to see the fair price of a share by calculating the price share final on mark book from report finance annual end company (Zulbiadi Latif, 2018). *Price to book value* (PBV) describes how much the market appreciates the book value of a stock. The more tall mark *price to book value* (PBV), so the more expensive priceper sheet shares, I see also on the contrary (Sukmawati, 2019:105).

Earnings per share (EPS) is ratio Which used For measure the profit or net profit obtained from each sheet shares, the use of this ratio is to measure company performance in generating profits. By calculating *earnings per share* (EPS), investors can find out the profits generated from each sheet share, the more big *earnings per share* (EPS) so reflect the company's prospects are getting better (Tryfino, 2009:11). *Earnings per share* (EPS) has an influence on share prices, meaning in investment *earnings per share* (EPS) is the most important indicator in enhancement price share (Purboyanti And Yogatama, 2018). *Earnings per share* (EPS) has a positive influence on share prices company in distributing dividends to shareholders, meaning that the greater the dividend given, the greater the success which done by the company (Commercial & Pesqueros, 2014).

Debt to equity ratio (DER) is ratio which describe comparison debt And equity in funding company as well as show ability capital something company the For fulfill all its obligations (Sawir, 2012:03). The greater *the debt to equity ratio* (DER) so will the more No

profitable, Because the more big risk Which covered on failure Which happen in company, on the contrary If *debt to equity ratio* (DER) Which low the higher the level of funding provided by the owner and the more big limit security for borrower If happen loss or shrinkage to mark assets (Cashmere, 2012). *Debt to equity ratio* (DER) disclose How use funding company from structure capital which owned by company Which originate from debt period length and capital originating from equity. *Debt to equity ratio* (DER) have influence positive towards price share which shows that investors pay attention to how much capital is financed by them to the company to generate net profits for them. The more big *debt to equity ratio* (DER) showing structure capital business more Lots utilise fund Which provided by creditor For produce profit, *debt to equity ratio* (DER) influential positive significant to share prices, meaning the higher the *debt to equity valueratio* (DER), the higher the share price will be (Irkham, et al, 2014).

Return on Equity (ROE) is a key indicator for measuring a company's success in providing profits to shareholders, represents company value, and has the potential to influence share prices. In this context, the research entitled "Analysis of the Effect of Price Earning Ratio, Price to Book Value, Earning Per Share, Debt to Equity Ratio, and Return on Equity on Share Prices in LQ45 Companies on the Indonesian Stock Exchange for the 2016-2020 Period" has the aim of analyzing the influence of various factors, including ROE, on the share price of LQ45 companies on the IDX. This research is expected to contribute to investors in making investment decisions, academics as additional literature, and researchers in understanding the impact of fundamental factors on stock prices.

METHOD

This research has a research object in the form of stock prices and the factors that influence them, such as price earning ratio (PER), price to book value (PBV), earnings per share (EPS), debt to equity ratio (DER), and return on equity. (ROE) in companies listed on the Indonesia Stock Exchange (BEI)/Indonesia Stock Exchange (IDX) from 2016 to 2020. Data was obtained from the financial reports of companies included in the LQ45 group, with a total sample of 31 companies. The data collection method uses secondary data, and data analysis is carried out using descriptive analysis techniques, classical assumption testing, multiple linear regression analysis, and hypothesis testing. Next, the independent variables (PER, PBV, EPS, DER, ROE) will be tested simultaneously with the F test and partially with the t test to determine their effect on the dependent variable, namely share prices.

RESULTS AND DISCUSSION

Results Study

A. Description Data Study

Study This use report finance company LQ45 index which is registered on the official Stock Exchange website Indonesian Effect (IDX) that is www.idx.co.id period observation 2016-2020 as population study. Process selection taking sample use method purposive sampling.

Variable Which used in study This among them the dependent variable is share price and the independent variable is *price earning ratio* (PER), *price to book value* (PBV), *earnings per share* (EPS), *debt to equity ratio* (DER), *return on equity* (ROE). Data management and analysis of data results are carried out with the program data processing application SPSS.

B. Analysis Descriptive statistics

Table 1. Results Analysis Statistics Descriptive
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
PER	153	-13.80	96.17	18.8664	15.59538
PBV	153	.60	82.44	4.6839	10.57728
EPS	153	-542.54	4049.62	473.3404	740.63157
DER	153	.14	17.07	2.1033	2.66906
ROE	153	-150.26	145.09	17.8065	29.48888
Stock price	153	230	83800	8747.39	13779.998
Valid (listwise)	N 153				

Source : Processed SPSS data, January 2022

An overview of this data information can be seen at table statistics on. Analysis statistics descriptive used For can describe or illustrate things which is related with data on variable - variable Which used in study Measurements used in descriptive statistical analysis in study This use mark average (mean), mark middle (median), highest value (maximum), lowest value (minimum), and standard deviation from each - each variable in study. With do test statistics descriptive, will can is known description in general regarding *price earning ratio* (PER) variables, *price to book value* (PBV), *earnings per share* (EPS), *debt to equity ratio* (DER), *return on equity* (ROE) as independent variables and stock price as variable dependent.

1. *Price Earnings Ratio* (X1)

In The results of the descriptive statistical tests carried out were obtained as in the table above. Based on the table it is known the minimum value of *the price earnings ratio* is -13.80 and value maximum *price earnings ratio* is 98.17 Results This showing big *price earnings ratio* on sample has a value range between -13.80 to 98.17 with mark flat - flat (mean) 18.8664 on standard deviation as big as 15.59538.

2. *Price To Book Value* (X2)

In results testing statistics descriptive Which done, obtained as in the table above. Based on the table it is known The minimum *price to book value* is 0.60 and value maximum *price to book value* is 82.44 Results this shows big *price to book value* on sample own mark range between 0.60 until 82.44 with mark flat – flat (mean) 4.6839 on standard deviation as big as 10.57728.

3. *Earnings Per Share* (X3)

In results testing statistics descriptive Which done, obtained as in the table above. Based on the table it is known the minimum value of *earnings per share* is -542.54 and value maximum *earnings per share* is 4049.62 Results This showing big *earnings per share* on sample own mark range between -542.54 until 4049.62 with mark flat – flat (mean) 473.3404 on standard deviation as big as 740.63157

4. *Debt to Equity Ratio* (X4)

In results testing statistics descriptive Which done, obtained as in the table above. Based on the table it is known The minimum value of *the debt to equity ratio* is 0.14 and value maximum *debt to equity ratio* is 17.07 Results This showing big *debt to equity ratio* on sample own mark range between 0.14 to 17.07 with mark flat – flat (mean) 2.1033 on standard deviation as big as 2.66906.

5. Return On Equity (X5)

In results testing statistics descriptive Which done, obtained like table on. Based on tableIt is known that the minimum value of *of return on equity* is -150.26 and the maximum value of *of return on equity* is 145.09Results This showing big *returns on equity* on samplehas a range of values between -150.26 until 145.09 with value flat - flat (mean) 17.8065 on standard deviation as big as29.48888.

6. Price Share (Y)

In results testing statistics descriptive Which done, obtained as in the table above. Based on the table it is known mark minimum price share is Rp 230 And mark maximum price share is Rp 83,800 Results This shows the size of the share price in the sample value ranges between IDR 230 to IDR 83,800 With value average (mean) 8747.39 On standard deviation as big as 13779,998.

C. Test Assumption Classic

1. Test Normality

**Table 2. Results normality test
One-Sample Kolmogorov-Smirnov Test
Unstandardized Residual**

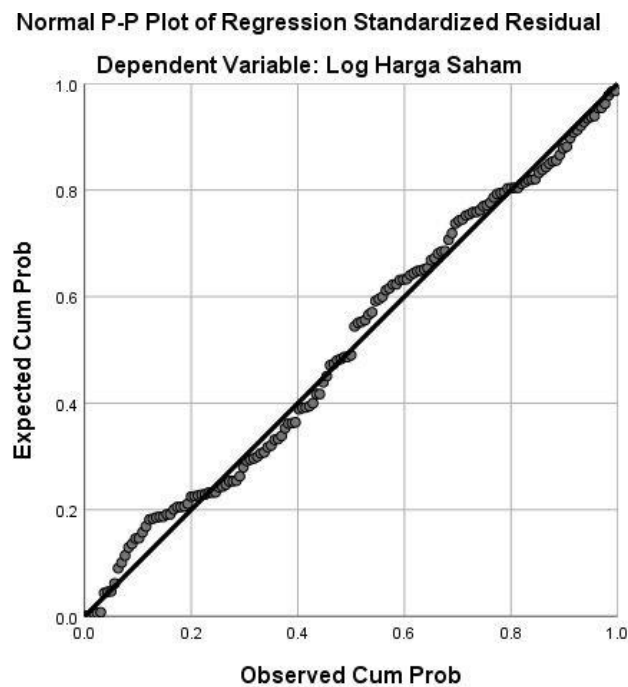
N		153
Normal Parameters ^{a, b}	Mean	.0000000
	Std. Deviation	.32766500
Most Extreme Differences	Absolute	,060
	Positive	,037
	Negative	-.060
Statistical Tests		,060
Asymp. Sig. (2-tailed)		,200 ^{c, d}

Source : Processed data SPSS, January 2022

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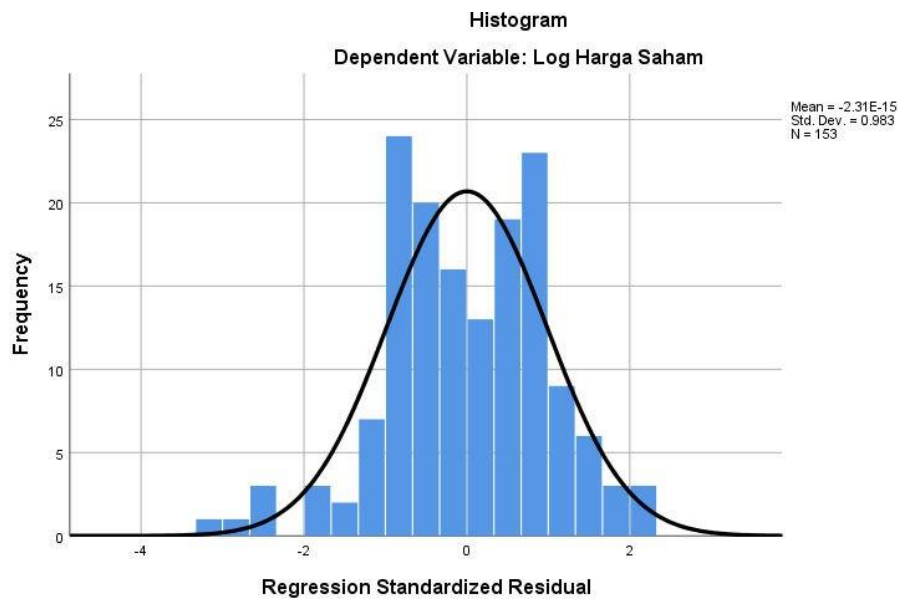
The normality test is a condition that must be met before The research went into multiple regression analysis. Normality test aim For ensure that in model regression Which used, data residuals distributed normal. Testing normality done with see big significance *kolmogorov-smirnov* of *unstandardized residual* regression models. Regression model can said distributed normal If mark *sig* significance *kolmogorov-smirnov* is > 0.05 . After testing normality after carrying out the outlier test, the *sig value can be seen Kolmogorov-smirnov* is 0.200 or more from 0.05 so it can be said that the data is normally distributed. These results is the result after doing *outliers*. This is also possible explained with results analysis chart that is chart Normal Probability the plot as following :

Picture 1. Normal P-Plot



Source : Processed SPSS data, January 2022

On picture on is known that data with *Normal P-Plot* stated distribute normal. Matter the because The points in the distribution image do not appear to be spread out and avoid around line diagonal And spread point – point data one way follow line diagonal. Results the is results after he did outliers.



Picture 2. Histograms Test Normality
Source: Processed data SPSS, January 2022

Apart from using *Normal P-Plot*, test normality You can use a histogram graph, you can see it in the graph histogram on that chart shaped bell perfect Which signifies that data distribute normal. Results the is the result after he did outliers.

2. Multicollinearity Test

Table 3. Results Test Multicollinearity
Coefficients^a
Collinearity Statistics

Tolerance Model		VIF	
1	PER (X1)	,983	1,018
	PBV (X2)	,358	2,792
	EPS (X3)	,955	1,047
	DER (X4)	,940	1,064
	ROE (X5)	,344	2,909

Source : Processed SPSS data, January 2022

Test Multicollinearity own objective For ensure variable independent Which used in Regression models are not correlated with each other. Testing multicollinearity with SPSS be measured with see mark *tolerance* And VIF. Data said free multicollinearity if the *tolerance value* is smaller than 1 (one), and the VIF value is smaller than 10. Based on table above, shows that there are no independent variables Which own mark *tolerance* Which value > 0.1 that is 0.983 For variable *price earnings ratio* (PER), 0.358 For *price to book value* (PBV) variable, 0.955 for variable *earnings per share* (EPS), 0.940 for the *debt equity variable ratio* (DER), And 0.344 For variable *returns on equity* (ROE). Matter This means that No found exists correlation between variable independent. Results calculation *variance inflation factor* (VIF) also shows that the same, no independent variable has a value < 10 that is 1,018 For variable *price earnings ratio* (PER), 2,792 For variable *price to book value* (PBV), 1,047 For *earnings per share* (EPS) variable, 1.064 for the *debt variable equity ratio* (DER), And 2,909 For variable *returns on equity* (ROE). So it can be concluded that this did not happen the

existence of multicollinearity between the independent variables in regression model on this research.

3. Test Autocorrelation

Table 4. Results Test Autocorrelation Model Summary ^b

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate	Durbin-Watson
1	,899 ^a	,809	,803	6292.55629	2,042

Source : Processed data SPSS, January 2022

Table 5. Comparison results of Durbin values Watson count with mark Durbin Watson Table

Amount Sample	Amount Variable Independent	Du	DW	4-Du
153	5	1.8036	2,042	2,1964

Source : processed by writer January 2022

The autocorrelation test has a purpose to ensure there is no correlation between the data in the observation period with data time previously (t-1). In SPSS, testing autocorrelation detected with number Durbin - Watson. Data said free from problem auto correlation If Durbin - Watson value is between Du and 4-Du or larger than Du and smaller than 4-Du. Based on results test auto correlation obtained mark Durbin - Watson counts as big as 2,042. Study This use data a total of 153 samples and 5 independent variables. Based on the Durbin - Watson table, it is known that du = 1.8036 (see appendix B), as well as the value (4-du) = 2.1964. Can see The value 2.042 is located between the values du and (4-du) or $Du < DW < 4-Du$, so that can We conclude that in There are no problems with the regression model in this research autocorrelation so test autocorrelation has fulfilled.

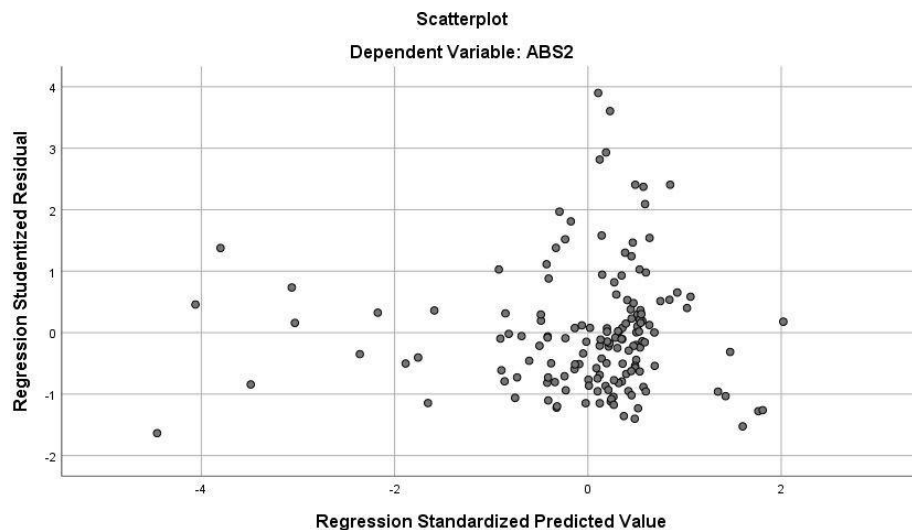
4. Test Heteroscedasticity

Table 6. Results Test Heteroscedasticity Coefficients ^a

Model		t	Sig.
1	(Constant)	11,017	,000
	PER (X1)	-.738	,462
	PBV (X2)	-.290	,772
	EPS (X3)	,468	,640
	DER (X4)	-.954	,341
	ROE (X5)	-.454	,650

Source : Processed SPSS data, January 2022

Test heteroscedasticity is A method Which used For ensure diversity from every sample in the regression model. The data is said to be free of heteroscedasticity if every variable independent Which used own marksignificance > 0.05. all variables have a *sig value* > 0.05, This means that this research does not have heteroscedasticity problems. The *sig value* in this research is 0.462 for *price earnings ratio* (PER), 0.772 for *price to book value* (PBV) , 0.640 forearnings per share (EPS) , 0.341 For *debt to equity ratio* (DER),And 0.650 for *return on equity ratio* (ROE).



Picture 3. Scatterplots Test Normality
Source : Processed SPSS data, January 2022

Based on chart *scatter plots* on, can We Look that the plot spreads evenly around 0 on the Y axis, so that can concluded that No happen heteroscedasticity on regression model because the *scatter plot graph* shows a pattern unclear or not regular.

D. Testing Hypothesis

1. Analysis Regression Linear Multiple

Multiple linear regression analysis is a form of analysis Which discuss about so far where influence variable free (X) to variable bound (Y). In where For variable free *price earning ratio* (X1), *price to book value* (X2), And *earnings per share* (X3), *debt to equity ratio* (X4) And *returns on equity* (X5) and the dependent variable is share price (Y). In count coefficient regression on study This using the SPSS 25 program.

2. Test Coefficient Determination (R Square)

Table 8. Coefficient Determination Model Summary ^b

Model R	R Square	Adjusted Square	R
1	,899 ^a	,809	,803

Source : Processed data SPSS, January 2022

Mark coefficient correlation (R^2) used For show how much big correlation or

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connection between independent variable to the dependent variable. Coefficient correlation said strong if mark R^2 is at in on 0.5 And the more strong if value the more approach 1. The coefficient of determination (*R square*) functions to measure how much big ability model in explained variation of the dependent variable. The *R square* value is zero to with one. If the *R square value* gets closer to one, so variable - variable independent said can give all information Which needed For predict variations in the dependent variable. On the contrary, increasingly the *R square value*, the greater the ability of the variables independent in explain variation variable dependent the more limited. Based on table on show mark R^2 as big as 0.899 so correlation between variable dependent and independent that is as big as 89.9%. For mark R^2 in model regression of this research, the value is 0.809. Results the show that variable price share (Y) can explain 80.9 % variation whereas the rest as big as 19.1% influenced by other factors.

3. Test Simultaneous Significance (Test F)

Table 9. F test ANOVA ^a

Sum Model	Squares	df	Mean Square	F	Sig.
1 Regression	21,902	5	4,380	34,486	,000 ^b
Residual	18,926	149	.127		
Total	40,829	154			

Source : Processed data SPSS, January 2022

Test F aim so that know is variable – variable independent influential in a way together – The same to variable dependent in a way significant. Based on table on is known that significance value $0,000 < 0.05$ on ($\alpha = 0.05$) And mark F count $> F$ table *price earnings ratio* (X1), *price to book value* (X2), *earnings per share* (X3), *debt to equity ratio* (X4), and *return on equity* (X5) has a significant effect on price shares (Y). The F_{table} value is shown using a two - tailed test with the formula $F_{table} = F(k; nk)$. (5;153-5) or (5;148) is known F_{table} as big as 2.28 (see attachment C) Because the calculated F value $34,486 > F_{table}$ 2.28. So mark $F_{count} > F_{table}$ with mark significance more small from 0.05 that is $0,000 < 0.05$ so can said that n *price earnings ratio* (X1), *price to book value* (X2), *earnings per share* (X3), *debt to equity ratio* (X4), and *return on equity* (X5) together or simultaneously influence significant to price share (Y).

DISCUSSION

A. The effect of *price earnings ratio* (PER) on stock prices in company LQ45 in BEI year 2016 - 2020

Based on from results calculation Which has done showing that variable *price earnings ratio* influential positive And significant impact on share prices in LQ45 companies on the Stock Exchange Indonesia 2016 - 2020. *Price earning ratio* (PER) itself is ratio Which used For see How market value performance share to performance company Which reflected by its *earnings per share*. The greater the *price earnings ratio* of a stock, the more expensive the stock will be net income per share. If the *price earnings ratio value* a share 1x, meaning the share price is 1x *earnings per share* (net income per share). The more small mark *price earnings ratio* the more Good Which means share it's getting cheaper. *Price earning ratio*

describes appreciation market to ability company in produce profit (Darmadji & Fakrudin, 2011:156). *Price earnings ratio* is comparison price share Which purchased with *earnings* Which will obtained at a later date so this shows that investors believe in the amount of *earnings* provided by the company, which will later be distributed to investors in the form of dividends in Century come. Price share And *price earnings ratio* own connection strong, because *the price earnings ratio* shows profit growth of the company, and investors will be interested in profit growth the so that on Finally will give effect to share price movements. The company provides a positive signal for investors For give instruction for investors about How management looking prospect company. Signal This form information about what management has done to realize owner's wishes.

Can concluded that *price earnings ratio* own influence on price share, where increasingly small *price earnings ratio* sowill increase price share Because will interesting interest investors For buy share. *Price earnings ratio* showing How many big investors evaluate price something share to multiple profit company as well as showing forever investment purchase share return. The more company capable produce profit Which tall, so will influential to price share the more increase, because *price earnings ratio* showing growth profit the so that on Finally will give effect to movement price share. Results study This in line with results study Which has done by Ida Come on Made Aletheari & Ketut Teak (2016) Whichstate that *price earnings ratio* in a way damn have a positive influence And significant to price share.

B. The influence of *price to book value* (PBV) on share prices incompany LQ45 in BEI year 2016-2020

Based on from results calculation Which has done showing that variable *price to book value* influential positive And significant impact on share prices in LQ45 companies on the Stock Exchange Indonesia year 2016 - 2020 . According to Darmaji And Fakhrudin (2001:141) *price to book value* is ratio Which reflect how muchThe market appreciates the book value of a company's shares. *Price to book value* can describe prospect company in period coming. In signaling theory, the *price to book value* can be provide a positive signal to shareholders. Based on stakeholder theory, large value comparisons reflect that the market is willing to pay or buy shares at a high price because believes the company's prospects are good. *Price to book value* figure A high level reflects that the market trusts the company have good prospects so they are willing to pay higher price in order to get shares of the company. A large price to book value can increase the confidence of prospective shareholders in buying shares in the company concerned so that prospective shareholders are interested in investing. So, the greater the company's price to book value, the higher the share price will be.

It can be concluded that if the value of the company is higher, the profits that will be received by shareholders will be greater. This means that the better the company's performance, the price to book value ratio will increase from year to year, this will cause high demand for shares and will influence share prices are increasing.

Results of this research in line with results study Which has done by Jenny Irnawati & Hero Suryanto (2021) Which state that *price to book value* in a way damn have positive and significant influence on price share.

C. Influence *earnings per share* (EPS) to share price atcompany LQ45 in BEI year 2016-2020

Based on from results calculation Which has done shows that *the earnings per share variable* has a positive effect andsignificant impact on share prices in LQ45 companies on the Stock Exchange Indonesia year 2016 - 2020 . According to Darmadji And Fakhrudin

(2001:139) *earnings per share* is ratio Which showing How many big profitability Which obtained holder share. *Earnings per share* is ratio income after tax with amount share Which circulating, *earnings per share* describe ability company in generate net profit in each share and if *earnings per share* increases, the share price also increases and thereby on the contrary If *earnings per share* decrease so price share follow decrease. With exists trust from holder share to Wrong One share Which offered so will happen enhancement amount request to share something company the And can push rising price share (Djauharotun, 2005). High *earnings per share* gives a good signal to shareholders. Usually companies that have *earnings per share* Which tall can increase price share. However Companies that have low growth are considered superior risky so that will have price share Which low. The size influence Which given from variable *earnings per share* to price share caused para investors tend more believe to growth earnings per share from something company Which offers shares compared to sales growth, due to investors believe that high *earnings per share* are meaningful indicates that the company is able to provide the level better welfare to shareholders, whereas if Low *earnings per share* means that the company failed to provide the benefits expected by the parties investors/holders share something company the. So that the more The higher the value of *earnings per share*, the higher the share price, and if the value of *earnings per share* is lower, the lower it will be also price share.

It can be concluded that the company has profitability Increasing can certainly illustrate the success of a company just will make investors wish For buy share the company, resulting in increasing demand for shares in market And as a result will influence share prices are increasing tall.

Results study This in line with results study Which has carried out by Muhammad Muhajir Aminy (2019) who stated that *earnings per share* in a way damn have influence positive And significant to price share

D. The effect of *debt to equity ratio* (DER) on stock prices on company LQ45 in BEI year 2016-2020

Based on from results calculation Which has done showing that variable *debt to equity ratio* influential negative and not significant to the share price of LQ45 companies on the Stock Exchange Indonesian Effects 2016 - 2020 . According to Fahmi (2015:127) *debt to Equity ratio* (DER) itself is a ratio used for measure how much big company financed by debt. It means, The higher the *debt to equity ratio* (DER) of a company, the higher it means the more tall also level capital company Which financed by debt, thereby causing the risk of default by the company. Increase big something the company pointed out risk distribution profit company will the more increase absorbed For pay off company obligations, so that investor profits will decrease. Mark A high *debt to equity ratio* (DER) indicates that the company has a high risk. This is because the *debt to equity ratio* (DER) is ratio Which describe about level risk company in the fulfil all over his obligations with use capital Alone Which owned, Company Which Having high debt shows that the company is responsible high interest charges, so that the profit will be obtained by the holder share become the more reduce. Information enhancement *debt to equity ratio* (DER) will be accepted by the market as a bad signal give insert negative for investors in taking purchasing decision share.

Can concluded that, based on results study This showing that H1 No supported, that is *debt to equity ratio* (DER) has no effect on the share price, meaning the size of the value the *debt to equity ratio* (DER) in the company is not yet available influence the high and low share prices. This means *debt to equity ratio* (DER) No is consideration main for investors when buying shares. The results of this study are in line with the results research conducted

by Vera Ch. O. Manoppo, Bernhard Tewel & Arrazi (2017) which states that *the debt to equity ratio* is especially influential negative And No significant to stock price.

E. The influence of return on equity (ROE) on share prices in LQ45 companies on the IDX in 2016-2020

Based on from results calculation Which has done shows that the *return on equity variable* has a positive effect and significant impact on share prices in LQ45 companies on the Stock Exchange Indonesia 2016 - 2020 . According to Kasmir (2014:204) *return on equity* is ratio Which measure profit clean after tax with your own capital. The higher *the return on equity value* , the higher the value the more Good. It means, position owner company the more strong, thereby also vice versa. Profit clean company can be measured with using *return on equity*. *The Return on equity* figure is seen by para prospective shareholders before investing in the company Because level profit clean company Which tall can push para prospective shareholders will buy their shares from where the candidates are Shareholders hope to gain profits from shares which he bought. *Return on equity* (ROE) is a profitability ratio describes the company's ability to provide profits for holder share normal (owner capital) with show percentage profit clean Which available For capital holder share Which has used company, *returns on equity* (ROE) is comparison between an issuer's net profit and its own capital (Harahap, 2007:156).

It can be concluded that in this study *return on equity* influential negative significant, It means if happen enhancement *return on equity* (ROE) will be followed by a decline in share prices. Conversely, if there is a decrease in *return on equity* (ROE) will be followed enhancement price share. Results study This support research conducted by Lilie, Michael, Triska Pramitha, Michelle Angela, Angelica Tiffany & Teng Sauh Hwee (2019) yang states that *return on equity* has a partial negative effect And significant to price share.

CONCLUSION

Based on research results regarding the influence of price earning ratio (PER), price to book value (PBV), earnings per share (EPS), debt to equity ratio (DER), and return on equity (ROE) on share prices in LQ45 companies on the Stock Exchange Indonesia effect during the 2016-2020 period, it can be concluded that these factors have different impacts on stock price movements.

First, the price earnings ratio (PER) shows a positive and significant influence on stock prices, indicating that investors tend to give higher value to shares of companies with better PER. Likewise, price to book value (PBV) and earnings per share (EPS) also have a positive and significant influence on share prices, indicating that high book value and good earnings per share can increase share prices.

However, the debt to equity ratio (DER) shows a negative influence, although not significant, on stock prices. This indicates that the debt to equity ratio does not significantly influence investor behavior in assessing share prices. Meanwhile, return on equity (ROE) has a positive and significant influence on share prices, indicating that a high level of return on equity can be a driving factor in increasing share prices.

Thus, the overall results of this study illustrate that certain aspects of a company's financial performance can influence the value of its shares, while other aspects may have a more limited or insignificant impact.

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