IMPLICATIONS OF RETURN ON ASSET (ROA), EARNING PER SHARE (EPS), PRICE EARNING RATIO (PER), AND DEBT TO EQUITY RATIO (DER) TO STOCK PRICE

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Abstract

The stock price is one of the essential factors that investors must do before investing in a company. The stock price will show the performance of a company. If a company's performance improves, the profits will be even greater. The purpose of investors investing their capital is to be able to provide the highest profit. Several factors can affect stock prices: ROA, EPS, PER, and DER. This study was conducted to determine the effect of ROA, EPS, PER, and DER on stock prices. The gap theory of this research is to add ROA, PER, and DER variables. The population using the food and beverage sub-sector companies for the 2016-2020 period amounted to 34 companies, and the sample obtained was 14 companies using the purposive sampling technique. The analysis in this study uses descriptive statistics, while the hypothesis testing uses multiple linear regression analysis. The results of this study indicate that there is a simultaneous influence between ROA, EPS, PER, and DER on stock prices. Partially, ROA, EPS, and PER positively affect stock prices. Meanwhile, DER does not affect stock prices.

Keywords: *ROA, EPS, PER, DER, Stock Price.*

A. INTRODUCTION

The Ministry of Industry noted that the performance of the food and beverage industry from the 2015 -2019 period grew 8.16% or above the growth of the non-oil and gas processing industry, which was 4.69%. In 2020 the food and beverage industry grew by 1.58%. This industry is now a mainstay in helping develop the national economy. Companies of interest to investors have stock price stability and have movements that tend to rise for the future period (Saragih, 2019). This situation makes companies compete to advance the company's performance. The better the company's performance, the more interest of capital owners who want to add their capital, so this situation will make the company experience an increase in stock prices (Rozi, 2020).

One of the critical factors that investors look at before investing is observing the company's stock price. The stock price describes the performance of the company. If the company's performance is good, the profits obtained will be higher. If the company's value gets better, the increase in stock prices will also be higher. Usually, the motivation of an investor is to get as much profit as possible. If demand is higher than supply, the stock price will increase (Erari, 2014).

The phenomenon of this research is that although the productivity of the food and beverage industry is said to be stable, several food and beverage companies have fluctuated, which causes stock prices to fluctuate.

Table 1. Average Food and Beverage Companies

Variable Name	2016	2017	2018	2019	2020
ROA	11.77	10.95	10.27	12.10	8.22
EPS	128.50	203.95	211.46	261.83	260.76

PER	19.88	22.43	23.34	59.98	27.36
DER	108.06	90.60	89.64	78.31	82.12
Stock price	3.27	3.80	4.17	3.34	3.36

The table above shows fluctuations in food and beverage companies as seen from the ROA, EPS, PER, DER variables, and stock prices. These fluctuations are based on the average value of the variables from each year. In 2016 the average ROA for food and beverage companies was 11.77%. In 2017 and 2018, the ROA decreased by 10.95% and 10.27%, respectively. In 2019 ROA experienced the largest increase compared to the previous three years, which was 12.10%, while in 2020, ROA experienced the lowest decline compared to 2017 and 2018, which was 8.22%. From 2016 to 2019, the average EPS experienced a significant increase, while in 2020, the EPS decreased slightly compared to the previous year, from 261.83% to 260.76%. The average PER from 2016 to 2018 has increased. In 2019 PER experienced a significant increase from the prior year, from 23.34% to 59.98%, while in 2020, PER experienced a significant decrease from the previous year, which was 27.36%. The average DER from 2016 to 2019 decreased, but in 2020 it increased slightly from the last year, from 78.31% to 82.12%. The average share price from 2016 to 2018 has increased, while in 2019 and 2020, the stock price has decreased. Several factors can affect stock prices: ROA, EPS, PER, and DER. With the fluctuation of the ROA, EPS, PER, and DER variables, the company's stock price fluctuates or fluctuates.

Companies often use ROA to describe the company's performance to get a profit. An increase in shares will encourage earnings to affect the growth in ROA. A positive ROA indicates that a company's performance in earning a profit can be used as a reference for capital holders in measuring the company's performance before investing. The high ROA will make a company's stock price higher, which means the company can provide large profits to shareholders. The more valuable the assets owned by the company in generating profits, the higher the increase in the company's share price will be (Laksitaputri, 2012).

EPS describes the income earned by a company in a predetermined year given to all investors. High and low EPS to understand whether the issuer's performance is good or not. A positive EPS means that every company that earns profits from shares can increase the share price. An increase in EPS will show the company can provide a success rate for capital holders so that the company's capital will increase (Sitanggang et al., 2022).

PER describes the performance of the company in earning a profit. The high PER owned by the company will make the level of development even higher. Good company performance has a high PER. A positive PER indicates that capital holders will look at PER first before investing because the higher the stock price, the higher the PER owned by the company. The high PER will make capital holders have high hopes for a company's performance in the future (Prasetyorini, 2013).

DER describes the company's performance in paying off its debts. Investors will undoubtedly avoid companies that have a high DER level. The high DER will show that the company has a big risk. A negative DER means the company has a large debt. As a result, investors tend to stay away from the company's low market demand, making stock prices decline. The reduced interest of investors resulted in a decrease in stock prices and stock returns (Arisandi, 2014).

However, what distinguishes it from previous research is adding the ROA, PER, and DER variables and choosing a different time and sector, namely the food and beverage sector listed on the Indonesia Stock Exchange for the 2016-2020 period.

This research aims to inform whether ROA, EPS, PER, and DER variables affect stock prices in food and beverage sub-sector companies listed on the Indonesia Stock Exchange (IDX) in the 2016-2020 period. The benefit of doing this research is to help investors before investing in the company and a reference for further study.

B. LITERATURE REVIEW

1. Signal Theory

According to Sari, the Signaling theory describes why companies have the urge to provide financial statement information to external parties. Signals about changes in stock prices can help investors before deciding to invest in their shares. An excellent financial report will signal that a company is operating well (Al Anbiya & Saryadi, 2018). The relationship between signal theory and stock prices is very important for capital holders because it prevents losses. If management reports all information about the company in total, investors will assume that the company's signal is in good condition so that the signal can affect stock prices (Endiana, 2019).

2. Value Relevance Theory

According to the IASB, information about a company's finances must be presented honestly and relevantly. Relevant here is to be able to make a difference before making a decision. Value relevance theory explains how the ability of accounting information to describe firm value. This theory can be measured by the statistical relationship between financial statement information and stock value. The concept of this theory is closely related to the usefulness of financial information (Zulkifli et al., 2019). The idea of this theory explains how financial information has relevant value for shareholders. Value relevance is affected by companies that use their financial statements to communicate the equity held by investors to the public. Information suitable for investors is when there is a significant relationship to stock prices (Bintara, 2018).

3. Stock price

Stocks are capital market instruments that investors favor because they can provide different benefits. The purpose of investors investing their capital is to be able to provide the highest profit. The stock price reflects the value of the company. If the company's performance and prospects are good, then the company's future value will also be good (Sihotang & Mekel, 2015). The stock price is essential for the company because it can describe its value. If the company's value is good, the company's share price will be higher. A high company value will ensure the welfare of investors so that more investors will want to invest in the company (Sukirni, 2012).

4. *Return On Asset* (ROA)

Companies often use ROA to describe the company's performance to get a profit. A high ROA means that the level of profit obtained by the company will be higher. The increase in company profits will impact increasing demand for shares so that it will have an impact on improving ROA. The high ROA can increase the company's stock price, which means that this company can provide significant benefits to shareholders (Asri, 2018). A high ROA indicates that the company is experiencing an increase in net income. If the sales value is higher, the rise in company profits will be even more significant. Therefore, capital holders will assume that the company is in a good performance. The more valuable the assets owned by the company in generating profits, the higher the company's share price will be (Mayuni&Suarjaya, 2018).

5. *Earning Per Share* (EPS)

High and low EPS to understand whether a company's performance is good or not. EPS describes the net income earned by a company in a predetermined year given to all investors. The increase in EPS will be accepted by the market as good news because it can assist in making decisions for capital holders before investing in the company. This situation

can make the demand for shares increase, which can cause the stock price to move up (Arnova, 2016). The increase in EPS will show that the company can provide more profits for the shareholders of capital so that these shareholders can provide more capital to the company. If a company can increase earnings for each share, this means that the company will distribute more dividends per share (Susilowati & Turyanto, 2011).

6. *Price Earning Ratio* (PER)

According to Tryfino, PER is a ratio to measure the return of capital from investment activities carried out by capital holders. PER describes the performance of the company in earning a profit. PER indicates that shareholders are willing to give their capital for every dollar amount reported. A high PER will increase the interest of capital holders in investing their capital. So that it will impact rising stock prices and each share per share (Idawati, 2018). High company growth indicates a high PER owned by the company. PER can make it easier for investors to observe the company's performance in the future because it can help investors before deciding to invest (Baroroh, 2013).

7. *Debt To Equity Ratio* (DER)

DER is a proper ratio to compare the results of the equity owned by the company and the results of the debt owed by the company. DER describes the company's performance in paying off its debts. Investors will undoubtedly avoid companies with high DER levels. The high DER indicates that the risk experienced by the company in the future will also be increased. Many investors will avoid risks such as bankruptcy (Abqari & Hartono, 2020). If the total debt exceeds the total equity, the company's risk will be more significant. The dependence on paying debts makes the company have a high DER. Many investors avoid this condition, so the demand for shares will also experience a decline (Endiana & Suryandari, 2021).

8. Effect of ROA, EPS, PER, and DER on Stock Prices

The increase in profits in the company will impact increasing demand for shares so that it will impact increasing ROA. The high ROA can increase the company's stock price, and this situation proves that this company can distribute high profits to shareholders.

EPS describes the income earned by a company in a predetermined year given to all investors. The increase in EPS will be accepted by the market as good news because it can assist in making decisions for capital holders before investing in the company. An increase in EPS will show that the company can provide more profits for capital holders to offer more capital.

PER describes the performance of a company in earning a profit. A high PER will increase the interest of capital holders in investing their capital so that it will impact rising stock prices and each share per share.

DER describes the company's performance as meeting all of its obligations to pay off its debts. DER describes the company's performance in paying off its debts. Investors will undoubtedly avoid companies that have a high DER.

The stock price is essential for a company because it can provide an overview of its value. If the company's value is good, it can increase the company's share price. The welfare of investors will be guaranteed if the value of the company is high so that many investors will want to invest in the company.

Based on the explanation above, the hypothesis can be drawn, namely: H_1: ROA, EPS, PER and DER have a simultaneous effect on stock prices

9. The Effect of ROA on Stock Prices

ROA is used to describe how the company's performance earns a profit. According to Rutika, the more influential the company reduces expenses, the higher the profit level obtained. The increase in company profits will impact increasing demand for shares so that it will have an impact on improving ROA. A high ROA indicates that the company is experiencing an increase in net income. The high value of sales can increase the company's profit so that capital holders will assume that the company is a good performance. Investors will favor companies that provide large profits. The increase in company profits will impact increasing demand for shares so that it will have an impact on improving ROA. The high ROA can increase the company's stock price, which means that this company can provide large profits to shareholders. A high ROA indicates that the company is experiencing an increase in net income. This refers to Watung & Ilat's (2016) research, which states that ROA positively affects stock prices.

Based on the explanation above, the following hypotheses can be proposed: H_2: ROA has a positive effect on stock prices

10. The Effect of EPS on Stock Prices

EPS describes the income earned by a company in a predetermined year given to all investors. High and low EPS to understand whether a company's performance is good or not. The increase in EPS will be accepted by the market as good news because it can assist in making decisions for capital holders before investing in the company. This situation can make the demand for shares increase, which can cause the stock price to increase. An increase in EPS will show that the company can provide more profits for capital holders. If a company can increase earnings for each share, the company will distribute more dividends per share (Gustian, 2017). This situation will boost the confidence of investors. This refers to Badruzaman's (2017) research, which states that EPS positively affects stock prices.

Based on the explanation above, the following hypotheses can be proposed: H_3: EPS has a positive effect on stock prices

11. The Effect of PER on Stock Prices

PER describes the company's ability to earn a profit. A high PER will increase the interest of capital holders in investing their capital to impact rising stock prices and for each share per share. A high PER will increase the appeal of capital holders in investing their money. So that it will impact increasing stock prices and for each share per share. High company growth indicates a high PER owned by the company. PER can make it easier for investors to observe the company's performance in the future because it can help investors before deciding to invest. This refers to the research conducted by Luckieta et al. (2020) that PER has a positive effect on stock prices.

Based on the explanation above, the following hypotheses can be proposed: H_4: PER has a positive effect on stock prices

12. The Effect of DER on Stock Prices

DER is a useful ratio to compare the results of the equity owned by the company and the results of the debt owed by the company. DER describes the company's performance in paying off its debts. If the total debt exceeds the total equity, the risk will be greater for the company (Budiyono & Santoso, 2019). Usually, before investing, investors will look at the level of risk faced by the company. If the company's risk level is high, the interest of shareholders who want to invest will decrease. The high DER means that the company has an increased risk. This situation certainly makes investors avoid companies that have a high DER. DER will show the risk that reflects how much its capital fulfills its obligations to pay

debts. The high debt will make the company's burden higher. If the company has a high-interest expense, the profits earned by investors will also be smaller. This indicates that the company's ability to distribute earnings in dividends will also be smaller. So that many investors are less interested in companies with a high DER. This condition will cause a decrease in the company's stock price. This refers to research conducted by Utami & Darmawan (2018), which states that DER negatively affects stock prices.

Based on the explanation above, the following hypotheses can be proposed: H_5: DER has a negative effect on stock prices

C. METHOD

This study uses a quantitative approach, emphasizing data in the form of numbers that are worked on with the type of causality research, namely research to determine the cause and effect between two or more variables. The data used in this research is secondary data. These data come from previous studies and audited financial reports from food and beverage sub-sector companies listed on the Indonesia Stock Exchange for the 2016-2020 period.

D. RESULTS AND DISCUSSION

1. Descriptive Statistics

The following is presented the results of descriptive statistical tests:

Table 2. Descriptive Statistical Test Results

	N	Minimum	Maximum	Mean	Std. Deviation
HS	70	87	20550	3638.74	3942.146
ROA	70	.001	.527	.10666	.102302
EPS	70	.555	996.770	228.50629	217.395210
PER	70	.028	654.545	30.59713	77.733410
DER	70	.164	2.683	.89747	.603798
Valid N (listwise)	70				

Based on the results of descriptive statistical tests from 70 samples of companies in the food and beverage sub-sector, it was obtained that the min value of the Stock Price variable is 87, namely, for the BUDI company in 2019, the max value is 20550, namely for the MLBI company in 2018, companies that are close to the mean value of 3638.74, namely DLTA and STTP with std. deviation of 3942,146, indicating that the average share price of 70 food companies and drinks is IDR 3,638.74.

Furthermore, the min value of the ROA variable is 0.001 for SKBM companies, and the max value was 0.527 for MLBI companies in 2017. Companies that are close to the mean value of 0.10666 are ADES, DLTA, ICBP, MLBI, MYOR, ROTI, and STTP companies, with an std deviation of 0.102302 showing that the average ROA of 70 food and beverage companies is 10%, which means the company's ability to use its assets to generate profits is 10%.

Furthermore, the min value for the EPS variable is 0.555, namely in SKBM companies in 2019, and the max value is 996,770, namely in INDF companies in 2020, companies that are close to the mean value of 228,50629, namely ADES companies with an std. deviation of 217,395210, indicating that the average EPS of 70 food companies and drinks for Rp. 228,50629 means that each share can generate Rp. 228,50629.

Furthermore, the min value of the PER variable is 0.028, namely in STTP companies in 2016, and the max value is 654,545, namely SKBM companies in 2019, companies that are close to the mean value of 30,59713 namely ICBP, MYOR, ROTI, SKBM and SKLT companies with an std. deviation of 77.733410, showing that the average PER of 70 food and beverage companies is 30%, which means the company's ability to return the investor's return on investment is 30%.

Furthermore, the min value for the DER variable is 0.164, namely for the ULTJ company in 2018, and the max value is 2,683, namely for the TBLA company in 2016, the company that is close to the mean value of 0.89747, namely the INDF and SKLT companies with an std. deviation of 0.603798, indicating that the average DER of 70 food and beverage companies is 89%, which means that most companies use debt in their funding of 89%.

2. Classic Assumption Test

The following presents the results of the classical assumption test:

Table 3. Classical Assumption Test Results

Normality Test	**Results**	**Explanation**
	Sig = 0.200 [c,d]	Normal
Multicollinearity Test	**Results**	**Explanation**
ROA	VIF = 2.328 Tolerance = 0.430	Multicollinearity Free
EPS	VIF = 1.636 Tolerance = 0.611	Multicollinearity Free
PER	VIF = 1.289 Tolerance = 0.770	Multicollinearity Free
DER	VIF = 1.972 Tolerance = 0.507	Multicollinearity Free
Heteroscedasticity Test	**Results**	**Explanation**
Glejser Test	ROA = 0.313 EPS = 0.143 PER = 0.195 DER = 0.678	Heteroscedasticity does not occur
Scatterplot	The points are randomly distributed and are spread above and below the number 0 on the Y-axis	Heteroscedasticity does not occur
Autocorrelation Test	**Results**	**Explanation**
Runs Test	Asymp. Sig = 0.289	Heteroscedasticity does not occur

In the initial process of the classical assumption test, the sample data studied showed indications that the data were not normally distributed. Therefore, the authors use data outliers to eliminate extreme numbers and transform the data so that the sample used is fifty-eight. First, the normality test was carried out for the outliers, and the transformation with the regression model and the one-sample Kolmogorov Smirnov method with a significant level > 0.05. Based on the normality test results of the normally distributed regression model, it can be seen from the significant value of 0.200 > 0.05. It can be interpreted that the assumptions required for the regression test usually are distributed. In other words, the regression model can be continued.

The next test is the Classical Assumption Test. The first is the normality test to see if the data is normally distributed with one sample Kolmogorov Smirnov, said to be normal if the sig value > 0.05 and if < 0.05, then the data is not normally distributed. The result of the sig value is obtained of 0.200 > 0.05, so it can be concluded that the data is normally distributed to continue the data processing.

Furthermore, research can be good in the Multicollinearity Test if there is no multicollinearity problem. The data is said to have no multicollinearity problem if the

Tolerance Value > 0.100 and VIF < 10.00 from each independent variable. The results of the VIF test for all variables are < 10.00, and the tolerance value for all variablesis > 0.100, so it can be concluded that all variables have met these requirements and there are no symptoms of multicollinearity.

Furthermore, Heteroscedasticity Test to check whether there is a difference between one residue and another observation. This study uses the Glejser & Scatterplot tests, and the data is said to be free from heteroscedasticity if the sig value is > 0.05. In this study, the sig value of ROA is 0.313 > 0.05, the sig value of EPS is 0.143 > 0.05, the sig value of PER is 0.195 > 0.05, and the sig value of DER is 0.678 > 0.05, so it can be concluded that there is no symptom of heteroscedasticity in the regression model. This study also uses a scatterplot test to detect heteroscedasticity. The results show no heteroscedasticity symptoms seen from the free points, do not form any pattern and are randomized above and below the number 0 on the Y-axis.

Based on the results of the autocorrelation test with the condition that the Durbin Watson value is dU < DW < (4-dU). The obtained DW value is 1,208, based on the Durbin-Watson table n = 70 and k = 4 where the value of dU = 1,735, then obtained 1,735 > 1,208 < 2.265, it can be concluded that the data is autocorrelation. However, a non-parametric Run-Test test is carried out to ensure that the data is autocorrelation. The condition for autocorrelation not to occur is Asymp. Sig above 0.05. After the Run-Test test, Asymp was obtained. Sig of 0.289 or above 0.05, which can be concluded that the data does not occur autocorrelation.

3. Multiple Linear Regression Analysis Test

The following shows the results of the multiple linear regression analysis test:

Table 4. Multiple Linear Regression Analysis Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-3854.747	1090.884		-3.534	.001
	ROA	14247.924	5488.729	.285	2.596	.012
	EPS	13.334	1.400	.877	9.526	.000
	PER	91.887	15.480	.487	5.936	.000
	DER	1409.096	702.348	.203	2.006	.050

a. Dependent Variable: HS

Multiple linear regression analysis tests the presence or absence of the influence of the independent variable on the dependent variable. From the results of data processing carried out, the function of the multiple linear regression analysis equations is obtained as follows: HS = (3854.747) + 14247.924 ROA + 13.334 EPS + 91.887 PER + 1409.096 DER + e. From the function of the regression equation above, it can be concluded that the constant value is -3854,747, which states that if ROA, EPS, PER, and DER are constant or not changing (the value is 0), the constant value of the stock price variable is -3854,747.

The ROA phenomenon that occurs shows that, on average, companies that experience an increase in share prices have a positive ROA value of 14247,924 which means that for every rise in ROA of '1 unit', the share price will increase by 14247,924 and vice versa, this is in line with the theory that ROA has an impact in a positive direction to stock prices.

The EPS phenomenon that occurs shows that the average company that experiences an increase in share price has a positive EPS value of 13,334 which means that for every

increase in EPS of '1 unit', the share price will increase by 13,334 and vice versa, this is in line with the theory that EPS has an impact in a positive direction to stock prices.

The PER phenomenon that occurs shows that the average company experiencing an increase in share price has a positive PER value of 91,887, which means that for every rise in PER of '1 unit', the share price will increase by 91,887 and vice versa, this is in line with the theory that PER has an impact in a positive direction to the Stock Price.

The DER phenomenon shows that the average company experiencing an increase in share price has a positive DER value of 1409.096, which means that for every DER increase of '1 unit', the stock price will increase 1409.096 and vice versa. This is in line with the theory that DER negatively impacts the stock price.

4. Hypothesis Test and Coefficient of Determination Test

The following presents the results of hypothesis testing and coefficient of determination test:

Table 5. Results of Hypothesis Testing and Coefficient of Determination Test

Hypothesis Testing	Variable	Standard sig	Results	Description
Simultaneous Test (F)	ROA, EPS, PER, and DER to Stock Price	< 0.05	0.000	Accepted
Partial Test (t)	ROA to Stock Price	< 0.05	0.012	Accepted
	EPS to Stock Price	< 0.05	0.000	Accepted
	PER to Stock Price	< 0.05	0.000	Accepted
	DER to Stock Price	< 0.05	0.050	Rejected
Coefficient of Determination Test	ROA, EPS, PER, and DER to Stock Price	*Adjusted R Square*	70.5%	

Based on the simultaneous test results (F test), the sig value is 0.000. This value is smaller than 0.05 (0.000 < 0.05) and the calculated F test value is 34,994 which is greater than the F table 2.50 (34,994 > 2.50). It is concluded that ROA, EPS, PER, and DER simultaneously affect the Stock Price.

Based on the t statistical test results, it shows that the ROA variable has a t count of 2.569 > 1.9944 and a sig value of 0.012 < 0.05, the answer is that ROA has a positive and significant effect on stock prices. The EPS variable has a t count of 9.526 > 1.9944 and a sig value of 0.000 < 0.05, the answer is that EPS has a positive and significant effect on stock prices. The PER variable has a t count of 5.936 > 1.9944 and a sig value of 0.000 < 0.05. The answer is that PER has a positive and significant effect on stock prices. And the DER variable has a t count of 2.006 > 1.9944 and a sig value of 0.050 > 0.05. The answer is that DER does not affect stock prices.

Furthermore, the coefficient of determination shows that the value (R2) is 0.725. This indicates that 70.5% of the stock price is influenced by the ROA, EPS, PER, and DER variables, while other variables affect the remaining 29.5%.

5. ROA, EPS, PER, and DER Simultaneously Affect Stock Prices

Based on the results of the F test statistics (significant simultaneous test) in the previous chapter, the calculated F value is 34,994. The sig value is 0.000 < 0.05, which indicates a simultaneous effect of 70.5% between ROA, EPS, PER, and DER on stock prices, and other variables influence the remaining 29.5%.

This analysis indicates that the stock prices carried out on the sample companies of this study are simultaneously influenced by how effective the company is in using its assets to generate profits. In addition, it can be affected by the company's ability to generate earnings per share, its ability to return the return on investors' capital, and its ability to finance equity against debt.

6. ROA Has a Positive and Significant Effect on Stock Prices

The partial test results of the effect of ROA on stock prices with a t value of 2.569 > 1.9944 and a sig value of 0.012 < 0.05 so that there is an influence on the stock price or H2 is accepted. It can be concluded that ROA has a positive and significant effect on stock prices. In theory, ROA shows how effective the company is in using its assets to generate profits, which will certainly affect stock prices. The increase in company profits will impact increasing demand for shares so that it will have an impact on improving ROA. A high ROA indicates that the company is experiencing an increase in net income. The higher the sales value, the more significant the increase in profits earned by the company so that investors will assume that the company is a good performance. A positive ROA indicates that a company's performance in earning a profit can be used as a reference for capital holders in measuring the company's performance before investing. A high ROA will make the company's stock price higher. The results of this study are in line with the ROA theory and the grand theory in this study, namely Signal Theory and Value Relevance Theory, where investors successfully accept companies in conveying information and the ability of company information to summarize company value can run effectively. This aligns with Watung & Ilat's (2016) research, which states that ROA positively affects stock prices.

7. EPS Has a Positive and Significant Effect on Stock Prices

EPS describes the income earned by a company in a predetermined year given to all investors. High and low EPS to understand whether a company's performance is good or not. The increase in EPS will be accepted by the market as good news because it can assist in making decisions for capital holders before investing in the company. This situation can increase the demand for shares, increasing the stock price. The increase in EPS will show that the company can provide more profits for the shareholders of capital so that these shareholders can provide more capital to the company. If a company can increase the profit for each share, this means that the company will distribute more dividends per share. This situation will boost the confidence of investors. This refers to Badruzaman's (2017) research, which states that EPS positively affects stock prices.

8. PER Has a Positive and Significant Effect on Stock Prices

The partial test results of the effect of PER on the stock price with a t value of 5.936 > 1.9944 and a sig value of 0.000 < 0.05 so that there is an influence of stock price or H4 is accepted. It can be concluded that PER has a positive and significant effect on stock prices. Theoretically, PER shows the company's ability to return the investor's rate of return on capital. The PER owned by the company is high, and the company has a high level of development. Good company performance has a high PER.A positive PER indicates that capital holders will look at PER first before investing because the higher the stock price, the higher the PER owned by the company. The high PER will make capital holders have high hopes for a company's performance in the future. A high PER will increase the interest of capital holders in investing their capital so that it will impact rising stock prices and each share per share. Companies that have high growth indicate that their company has a high PER. PER can make it easier for investors to observe the company's performance in the future because it can help investors before deciding to invest. A high PER will make the stock price of the company higher. The results of this study are in line with the PER theory and the grand theory in this study, namely Signal Theory and Value Relevance Theory, where investors successfully accept companies in conveying information and the ability of company information to summarize company value run effectively. This is in line with research conducted by Luckieta et al. (2020), which states that PER has a positive and significant effect on stock prices.

9. DER Does Not Affect Stock Prices

The results of the partial test of the effect of DER on the stock price with a t-count value of 2.006 > 1.9944 and a sig value of 0.050 > 0.05 so that there is no influence on the stock price or H5 is rejected. It can be concluded that the DER does not affect the stock price, meaning that the size of the DER in the company has not been able to influence the high and low stock prices. The high DER reflects that the company's risk is also high, so investors are less interested in companies with a high DER level. Many investors will certainly avoid risks such as bankruptcy. If the total debt exceeds the total equity, the risk faced by the company will be even greater (Budiyono & Santoso, 2019). The dependence on paying debts makes the company have a high DER. Many investors avoid this condition, so the demand for shares will also experience a decline. No matter how much debt the company has, it will not affect the stock price. This result is not in line with the existing grand theory, namely Signal Theory and Value Relevance Theory. This signal theory cannot be used because regardless of the DER number owned by the company, the investor will not respond to the signal so that DER does not affect stock prices. A reasonably high DER level of 89% indicates that the level of debt owed by the company is higher than the level of equity. This value relevance theory also cannot be used because the company's information capability in summarizing the company's value cannot run effectively.

E. CONCLUSION

Based on the research analysis that the author has described, several conclusions can be drawn. First, the results of the F test statistic (significant simultaneous test) in the previous chapter obtained a calculated F value of 34,994 and a sig value of 0.000 < 0.05 where which indicates that with R^2 70.5%, there is a simultaneous effect of 70.5% between ROA, EPS, PER, and DER on stock prices and other variables influence the remaining 29.5%. Second, based on the results of the t statistic test, it shows that the ROA variable has a t count of 2.569 > 1.9944 and a sig value of 0.012 < 0.05, the answer is that the ROA variable has a positive and significant effect on stock prices. Third, the EPS variable has a t count of 9.526 > 1.9944 and a sig value of 0.000 < 0.05, the answer is that the EPS variable has a positive and significant effect on stock prices. Fourth, the PER variable has a t count of 5.936 > 1.9944 and a sig value of 0.000 < 0.05, the answer is that the PER variable has a positive and significant effect on stock prices. And the fifth, the DER variable, has a t count of 2.006 > 1.9944 and a sig value of 0.050 > 0.05. The answer is that the DER variable does not affect stock prices.

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