"THE INFLUENCE OF THE FINANCIAL PERFORMANCES TOWARDS STOCK PRICE"
(Study in Manufacturing Companies Listed at Indonesia Stock Exchange)

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Abstract - This study aims to determine and analyze the effect of financial performance variables on stock prices in the manufacturing companies listed on the Indonesia Stock Exchange for the period of 2016-2018. This type of research is explanatory research, which means explaining whether there is an influence between the independent variables and the dependent variable through hypothesis testing. The data used is secondary data. The sample selection was done by purposive sampling method, so that of the 169 manufacturing companies listed on the Indonesia Stock Exchange obtained 55 sample companies. The research method used in this study is multiple regression analysis.

The results of this study indicate that the variable Debt to Equity (DER), Price Earnings Ratio (PER) and Earnings Per Share (EPS) have a significant influence on stock prices. While the variables Current Ratio (CR) and Return on Assets (ROA) have no significant effect on stock prices.

Keywords: Current Ratio, Debt to Equity, Return on Assets, Price Earnings Ratio, Earnings Per Share, Stock Price


Hasil penelitian ini menunjukan bahwa variabel Debt to Equity (DER), Price Earnings Ratio (PER) dan Earnings Per Share (EPS) memiliki pengaruh signifikan terhadap harga saham. Sedangkan variabel Current Ratio (CR) dan Return on Asset (ROA) berpengaruh tidak signifikan terhadap harga saham.

Kata Kunci: Current Ratio, Debt to Equity, Return on Assets, Price Earnings Ratio, Earnings Per Share, Harga Saham
INTRODUCTION

Economic growth is an indicator that reflects the economic situation and condition of a country. Good economic growth will support national development which will then have an impact on people's welfare and national economic security. The economic growth of a country can be seen from the growth of Gross Domestic Product (GDP), where GDP shows the market value of goods and services produced by all business units of a country in a certain period.

According to the official statistical report given by Badan Pusat Statistik or (BPS) or in English the Central Bureau of Statistics Indonesia in 2019, the top three contributors in Indonesia's GDP in terms of the business fields from 2016 to 2018 are the Industrial sector, Agriculture, Forestry and Fisheries sector, and Trade sector. However, the biggest GDP contributor in Indonesia in terms of the business field is still coming from the Industrial sector. The industrial sector remains the backbone of growth in the field of business towards the growth of the Indonesian economy. Data from the Central Bureau of Statistics Indonesia (BPS) shows that the Industrial sector is a major contributor to the national gross domestic product (GDP).

Through cloud computing, internal and cross-organization services are provided and utilized by various parties in the value chain. (Hermann, Pentek and Otto, 2016). Since 2011 claimed by Hermann, Pentek and Otto (2016), the world has entered Industry 4.0, marked by increased connectivity, interaction, and boundaries between people, machines and other resources that are increasingly converging through information and communication technology. Thus, Indonesia wants to be part of the Industry 4.0 Revolution. The Indonesia government is committed to improving Indonesia's competitiveness from 41st to 39th in the world from 138 countries listed in the 2016-2017 Global Competitiveness Report.

To achieve this goal, one of the solutions being encouraged by the Ministry of Industry is to spur domestic industry companies to continue to innovate in the face of Industry 4.0 implementation. "Innovations and changes to a more efficient and effective in a business model are part of the results of industry 4.0 implementation. This industrial revolution will accelerate the increase in the competitiveness of the national industrial sector significantly," said Industry Minister Airlangga Hartarto at the National Seminar on Industrial Implementation 4.0. (http://kemenperin.go.id). With this initiation by the government, this began seriously making the Indonesian industrial companies becoming into industry 4.0.

In Indonesia, capital trading is carried out on the Indonesia Stock Exchange (IDX). On the IDX, investors, and issuers carry out long-term transactions of financial
instruments such as stocks, bonds, liabilities, derivatives, mutual funds, and Islamic financial instruments.

In this research, fundamental would be used, whereas fundamental analysis is based on the company's financial performance information as an effort to assess stocks and predict the direction of stock price movements (Brigham and Houston, 2015: 55). Fundamental analysis is one of the references for investors in making investment decisions. With fundamental analysis, investors can find a picture of a company's performance based on financial ratios to stocks. The most popular and widely used evaluation of a company's financial performance is ratio analysis (Subramanyam, 2013: 34). Therefore, to evaluate the value of a stock, investors should use the fundamental analysis and for evaluating the company’s performance investors should use the financial ratio analysis as tools.

The financial ratios include Liquidity ratios, Asset Management ratios, Leverage ratios, Profitability ratios, and Market Value ratios (Brigham & Houston 2015). Ratios used in this research include Current Ratio (CR) a proxy from Liquidity Ratios, Debt to Equity Ratio (DER) is a proxy from Debt Management Ratios, Return on Assets Ratio (ROA) is a proxy from the Profitability Ratios, and Price Earnings Ratio (PER) and Earnings Per Share (EPS) are the proxies from the Market Value Ratio

This research is a development of those previous researches with different variables, objects and years of period that have been updated, namely using Current Ratio (CR), Debt to Equity Ratio (DER), Return on Assets (ROA), Price Earnings Ratio (PER), and Earnings Per Share (EPS) as independent variables and Manufacturing companies listed on the Indonesia Stock Exchange (IDX) in the period of 2016-2018. Then, this Minor Thesis takes the title of “The Influence of the Financial Performance Towards Stock Price (Study in Manufacturing Companies listed at Indonesia Stock Exchange)”.

LITERATURE REVIEW

Capital Market

The capital market is a place of sale, long-term capital in the form of securities and bonds, the period of securities offered is usually issued more than 1 year (Kasmir, 2016: 51). According to the site the capital market is a market for various financial instruments that can be traded, both debt (contracts), equity (shares), mutual funds, derivative instruments and other instruments. there are four types of capital markets, including:

1. Primary Market

The primary market is a stock offering from a company that issues shares
(issuers) to investors during the period specified by the party before the shares are traded on the secondary market.

2. Secondary Market

The secondary market is defined as trading shares after passing the offering period on the primary market.

Stock

Each stock gives one owner the right to vote in all matters related to corporate governance used in the annual general meeting of shareholders and to be able to get a share of the company's financial benefits. Meanwhile, according to Brigham and Houston (2015: 301) types of Stock include:

1. Common Stock

Ordinary shareholders are the owners of the company, and they have certain rights and facilities which include:

a. Control of the Company

An ordinary shareholder has the right to choose its directors, then choose the management who will manage the business.

2. Preferred Stock

Preferred Stock is a mixture of bonds in several ways and in some cases, it is also similar to common stock.

3. Bearer Stocks

Is a stock that does not have a name or is not written the name of the owner in the share. This type of stock is easy to transfer to other parties but certain conditions and procedures are needed.

4. Registered Stocks

In the share, the name of the owner of the share is written and to be transferred to another party certain conditions and procedures are needed.

Stock Price

The stock price according to Jogiyanto (2016: 25) is the price of a stock that occurs on the stock market at a certain time determined by market participants and is determined by the demand and supply of contested shares in the capital market. Stock prices according to Brigham and Houston (2015: 7) "Stock prices determine shareholders' wealth. The maximization of shareholder wealth is translated into maximizing the company's stock price. Stock prices at a given time will depend on cash flows that are expected to be received in the future by investors "on average" if investors buy shares."

According to Sunariyah (2011: 170) stock prices are interpreted as market prices, namely, stock prices found and formed by the capital market mechanism. The stock price is essentially the acceptance of the amount of sacrifice that must be made by each investor for participation in the company.

According to Brigham and Houston (2015: 56) there are two ways to analyze stock prices:

1. Fundamental analysis
Fundamental analysis is used to estimate stock prices in the future by estimating the value of fundamental factors that affect stock prices in the future and applying the relationship of these variables to obtain stock price estimates.

2. Technical analysis

Technical analysis is an analysis of the market that uses statistical data such as stock prices, stock indices and other statistical data to make a pattern that will predict the picture that has been made.

Financial Performance

Company performance is generally measured based on net income (earnings) or as a basis for other measures such as investment returns (return on investment) or Earnings Per Share (EPS). Elements directly related to measuring net income (income) are income and expenses. The measurement of income and expenses depends in part on the concept of capital and what the company uses in preparing financial statements. (Harmono, 2014: 136)

According to Sutrisno (2017: 78), The company's financial performance is the achievements of the company in a certain period that reflect the level of health of the company. Financial performance is measured based on net income. It varies depending on the scope of business that it runs. Such as conducting a review of financial statements, performing calculations, making comparisons of the results of the calculations obtained, interpreting and searching and providing problem-solving.

Financial Ratio

Ratio analysis according to Brigham and Houston (2015: 133) is an analysis that is designed to help evaluate the financial statement such as comparing the company’s debt with its assets and comparing the interest rates charged to income available to pay the interest that comparison would involve ratio analysis.

The types of financial ratios commonly used by companies in determining company performance and identifying company decisions, can be grouped into 5 categories, namely

Liquidity Ratio

The liquidity ratio defines as a ratio that shows the relationship between the cash and the assets of the company’s current more with its current liabilities, asset lancer itself mean an asset that can be converted into cash quickly without having to reduce the price of the asset too much. (Brigham and Houston, 2015: 100).

Assets Management Ratio

Assets Management Ratios (Activity) The Ratio of Activity by Brigham and Houston (2015: 102) is a ratio that measures how effectively a company manages its assets. Indicators of activity ratio in general are four, namely inventory turnover (inventory turnover), the average collection period, fixed asset turnover (turnover of
fixed assets), and total asset turnover (total asset turnover) (Fahmi, 2014: 162)

**Profitability Ratio**

The ratio of Profitability based Brigham and Houston (2015: 109) is a ratio which indicates the combination of the effects of liquidity, asset management, and debt on operating results. According to Irham Fahmi (2014: 162) state profitability ratio in general there are four, namely: (1) gross profit margin, (2) net profit margin, (3) return on investment (ROI) and (4) return on equity.

**Leverage Ratio**

Fahmi (2014: 158) stated there are eight leverage ratios namely: (1) the debt to total assets, (2) debt to equity ratio, (3) times interest earned, (4) cash flow coverage, (5) long term debt to total capitalization, (6) fixed charge coverage, and (7) cash flow adequacy. According to Brigham and Houston (2015: 105) is the use of debt funding will provide three important implications: (1) raise funds through debt, shareholders can control the company with a number of equity investments is limited, (2) creditors see equities or funds given by the owner as a safety limit. So, the higher the proportion of total capital provided by shareholders, the smaller the risk faced by creditors. (3) if the result obtained from the company’s assets is higher than the interest paid, then the debt will use leverage or increase the Return on Equity (ROE).

**Market Value Ratio**

Market value ratio is a set of ratios that link the company's stock price to earnings, cash flow, and book value per share (Brigham and Houston, 2015: 112). To measure market value there are several ratios that are most often used, which are as follows:

**Price Earnings Ratio (PER)**

According to Weygandt, Warfield and Kieso (2014: 799) Earnings Per Share is a ratio calculated by net income minus preferred stock dividends (Net Income - Preferred Dividends) divided by the (Weighted Average Common Shares Outstanding). This ratio is used to measure the net income obtained from each common stock.

**Earnings Per Share (EPS)**

Earnings Per Share (EPS) According to Kasmir (2016: 207) is a ratio used to measure the success of management in obtaining profits for shareholders.

**HYPOTHESES**

H1: The influence of Current Ratio positively significant toward Stock Price.

H2: The influence of Debt to Equity Ratio negatively significant toward Stock Price.

H3: The influence of Return on Assets positively significant toward Stock Price.

H4: The influence of Price Earnings Share positively significant toward Stock Price.
**H5:** The influence of Earnings per Share positively significant toward Stock Price.

**RESEARCH METHOD**

This type of research used in this research is Causal research. According to Sekaran and Bougie (2016: 45), Causal research is a research method that aims to explain the position of the variables studied as well as the influence between one variable with another variable.

This research uses a quantitative approach that is research that emphasizes its analysis of numerical data (numbers) that are processed by statistical methods. The research data is accessed and downloaded from the IDX's official website, www.idx.co.id.

The population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate. It is the group of people, events, or things of interest for which the researcher wants to make inferences (Sekaran and Bougie, 2016: 236)

A sample is a subset of the population. It comprises some members selected from it. (Sekaran and Bougie, 2016: 241). The sampling technique in this research is using the Purposive Sampling method. Purposive Sampling method is the sampling here is confined to specific types of target groups who can provide the desired information, either because they are the only ones who have it, or they conform to some criteria set by the researcher. (Sekaran and Bougie, 2016: 248).

Data analysis methods use in this research are descriptive statistical tests, classic assumption tests, goodness of fit tests, coefficient of determination (R2), multiple linear regression, and hypothesis testing with t test. Data analysis and hypothesis testing tools use Statistical Product and Service Solutions (SPSS) software.

**FINDING AND DISCUSSION**

**Classic Assumption Test**

The classic assumption tests used in this research are the normality test, the multicollinearity test, the autocorrelation test, and the heteroskedasticity test. The test results are presented as follows:

**Normality Test**

![Figure 1](Normal P-P Plot of Regression Standardized Residual)
Based on Figure 1, shows that the residual data has normal distribution. This happens because the data spreads around the diagonal line and follows the direction of the diagonal line or graph. Therefore, the regression model is following the assumptions of normality.

**Multicollinearity Test**

This multicollinearity test was conducted with SPSS 20 in this research and the result can be seen in **Table 1**

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>CR</td>
<td>0.784</td>
</tr>
<tr>
<td>DER</td>
<td>0.784</td>
</tr>
<tr>
<td>ROA</td>
<td>0.781</td>
</tr>
<tr>
<td>PER</td>
<td>0.864</td>
</tr>
<tr>
<td>EPS</td>
<td>0.714</td>
</tr>
</tbody>
</table>

Based on **Table 1**, the following test results from each independent variable:
- The Tolerance for CR is 0.784
- The Tolerance for DER is 0.784
- The Tolerance for ROA is 0.781
- The Tolerance for PER is 0.864
- The Tolerance for EPS is 0.714

In the test results, it was found that the whole Tolerance value > 0.1 so that it can be concluded that there is no multicollinearity between independent variables.

Multicollinearity test can also be done by comparing the value of VIF (Variance Inflation Factor) with number 10. If the value of VIF > 10 or then multicollinearity occurs. The following are the results of testing each independent variable:
- VIF for CR is 1.276
- VIF for DER is 1.276
- VIF for ROA is 1.281
- VIF for PER is 1.157
- VIF for EPS is 1.400

From the results of these tests it can be concluded that there is no multicollinearity between independent variables. Thus, the assumption test for the absence of multicollinearity can be fulfilled.

**Autocorrelation Test**

To find out whether there is autocorrelation or not, it is necessary to look at the Durbin-Watson critical area table. This research uses 5 independent variables so that the value of K = 5 and there are 165 observations so that the value of n = 165 by using a critical value of 5%. Therefore du = 1,808 and 4-du = 2,192. It says there is no autocorrelation if du ≤ d ≤ (4-du). The autocorrelation test results can be seen in **Table 2**.
From Table 2 it is known that the Durbin Watson test value is 2.078 which is located between 1.808 and 2.192, it can be concluded that the assumption that there is no autocorrelation and has been fulfilled.

**Heteroscedasticity Test**

The Heteroscedasticity test was conducted with SPSS 20 in this research and the result is as follows. The results of heteroscedasticity test can be seen in Figure 3.

Based on Figure 3 shows that the points spread randomly and spread both above and below the number 0 on the Y axis. It can be concluded that there is no heteroscedasticity in the regression model and has been fulfilled. Therefore, the regression model is feasible to use.

**Result of F Test (Goodness of Fit)**

Based on Table 3, the calculated F value is 108.225. Whereas F table ($\alpha = 0.05$; $db$ regresi = 5; $db$ residual = 159) is equal to 2.271. Because F value > F table or 108.225 > 2.271 or value Sig. F (0.000) < $\alpha = 0.05$ then the regression analysis model is significant. If the linear regression model that is estimated to be fit means the model can explain the effect of the independent variables CR (X1), DER (X2), ROA (X3), PER (X4) and EPS (X5) on stock prices (Y) which are the dependent variable.

**Multiple Linear Regression Analysis**

Multiple linear regression analysis is a tool for forecasting the influence of two or more independent variables on one dependent variable.

This research tests the hypotheses by using Multiple Linear Regression analysis to determine how the independent variables consisting of CR, DER, ROA, PER, and EPS
affect the dependent variable, namely stock prices. By using the help of SPSS for Windows ver. 20.00 the result of Multiple Linear Regression analysis is obtained as shown in Table 4.

The regression equation is obtained as follows:

$$Y = 3,154 - 0.029 X_1 - 0.445 X_2 - 0.009 X_3 + 0.015 X_4 + 0.928 X_5 + \epsilon$$

**Result of Determination Coefficient (R²)**

Table 4

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.879</td>
<td>.766</td>
<td>.70135</td>
<td>2.078</td>
<td></td>
</tr>
</tbody>
</table>

From the analysis in Table 4, obtained results adjusted R² in the amount of 0.766. This means that 76.6% of the Closing Price variable will be influenced by the independent variable, namely CR (X₁), DER (X₂), ROA (X₃), PER (X₄), EPS (X₅). While the remaining 23.4% Closing Price variables will be influenced by other variables that are not discussed in this research.

In addition, through the result of Testing the Determination Coefficient can obtain a correlation coefficient which shows the magnitude of the relationship between the independent variables namely CR (X₁), DER (X₂), ROA (X₃), PER (X₄), EPS (X₅) to the variable Closing Price, with the value R (correlation coefficient) in the amount of 0.879. This correlation value indicates that the relationship between independent variables namely CR (X₁), DER (X₂), ROA (X₃), PER (X₄), EPS (X₅) with the dependent variable, which is Closing Price, categorizes very strong because it is at the interval between 0.8-1.0.

**Test Hypothesis**

**Result of t Test**

T test results in this research using SPSS 20.0 can be seen in Table 5.

Table 5

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>t</th>
<th>Sig.</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>11.861</td>
<td>0.000</td>
<td>Not Significant</td>
</tr>
<tr>
<td>X1</td>
<td>-0.948</td>
<td>0.345</td>
<td>Not Significant</td>
</tr>
<tr>
<td>X2</td>
<td>-3.559</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>X3</td>
<td>-1.594</td>
<td>0.113</td>
<td>Not Significant</td>
</tr>
<tr>
<td>X4</td>
<td>9.009</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>X5</td>
<td>20.947</td>
<td>0.000</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Source: Primary data analysis, 2019

According to Table 5 the following results are obtained:

1. H1: The influence of Current Ratio positively significant toward Stock Price
2. H2: The influence of Debt to Equity Ratio negatively significant toward Stock Price
3. H3: The influence of Return on Assets positively significant toward Stock Price
4. H4: The influence of Price Earnings Share positively significant toward Stock Price
5. H5: The influence of Earnings per Share positively significant toward Stock Price
DISCUSSION RESEARCH

A. Influence of Liquidity Ratio Towards Stock Price

The result in this research shows the Current Ratio (CR) a proxy from Liquidity ratios from the Manufacturing companies sector listed on the IDX in the period from 2016-2018 do not have a significant effect on the stock price. The insignificant influence is because investors and potential investors do not consider the variable Current Ratio (CR) as a consideration for their investment in Manufacturing companies.

The result of this research is in line with the research conducted by Francis M. Hutabarat and Darwin Simanjuntak (2013), Aty Herawati and Angger Setiadi Putra (2018), Widyatmini and Michael Valentino Damanik (2017) and Alvi Kautsar (2017) which states that CR do not have a significant effect on stock prices.

B. Influence of Leverage Ratio Towards Stock Price

The result in this research shows that the DER a proxy of Debt Management Ratios from the Manufacturing companies sector listed on the IDX do have a significant effect on the stock price. The results of the research indicates the investors in making purchasing decisions consider information about the value of DER because from the perspective of the ability to pay the total debt, the lower the ratio, the better the company's ability to pay its obligations, while the higher the DER shows the total composition debt (short-term and long-term) is greater than the total own equity, then the greater the company's burden on creditors (Brigham and Houston, 2015: 107).

The results are in line with the research conducted by Novita Kristiana Angela and Yunita Ismail Masjjud (2018) and Indira Tanjung (2017) which states that DER has a significant effect on stock price. However, it is not in line with the research conducted by Alvi Kautsar (2017) and Francis M. Hutabarat and Darwin Simanjuntak (2013).

C. Influence of Profitability Ratio Towards Stock Price

The result in this research shows that ROA from the Manufacturing companies sector listed on the IDX do not have a significant effect on the stock price. The results of the research indicate that the ROA of Manufacturing companies is not considered by investors in to purchase its shares, this can be seen from the value of the ratio in past years period that tends to decrease each year and the standard deviation of the ratio of each company that is classified as large, which means that each company has not been optimal in producing available net income.

This result is in line with the research conducted by Widyatmini and Michael Valentino Damanik (2017) which states that ROA has no significant effect on stock prices. But it is not in line with the research

D. Influence of Market Value Ratio Towards Stock Price

Price Earnings Ratio

The result in this research shows that the PER a proxy of Market Value Ratios from the Manufacturing companies sector listed on the IDX do have a significant effect on the stock price.

The results of this research indicate that PER is one of the considerations of investors and potential investors in making decisions when going to invest because any increase or decrease in PER affects changes in stock prices of Manufacturing companies. This is because a high PER ratio indicates investors' expectations of the company in the future are quite high. Investors will predict which stocks will provide the biggest profit.

The results of this research are in line with the research conducted by Novita Kristiana Angela and Yunita Ismail Masjud (2018), Pudji Astuty (2017), Alvi Kautsar (2017) and Widyatmini and Michael Valentino Damanik (2017) which states that EPS has a significant effect on stock prices.

Earnings Per Share

The result of this research shows that EPS from the Manufacturing companies sector listed on the IDX do have a significant effect on the stock price.

Earnings Per Share (EPS) is the amount of profit that is entitled to each shareholder for each common stock. The company's ability to generate large profits will affect the level of Earning Per Share (EPS). Earnings Per Share (EPS) has a positive relationship with the stock market price, meaning that the greater the level of Earnings Per Share (EPS), the more shares are attractive to investors so that the stock market price tends to rise. This condition indicates that investors and potential investors consider Earnings Per Share (EPS) as a consideration for their investment in Manufacturing companies.

The results of this research are in line with research conducted by Novita Kristiana Angela and Yunita Ismail Masjud (2018), Pudji Astuty (2017), Alvi Kautsar (2017) and Widyatmini and Michael Valentino Damanik (2017) which states that EPS has a significant effect on stock prices.

RESEARCH IMPLICATION

Based on the results of research conducted on Manufacturing companies listed on the Indonesia Stock Exchange for the period of 2016-2018, it was found that three independent variables were known to have a significant effect on stock prices, namely the Debt Equity Ratio (DER) variable, Earnings Per Share (EPS) and Price Earnings Ratio (PER), while the variable Current Ratio (CR) and Return on Assets (ROA) are known to have insignificant effects. There are two variable that are not influence significantly on stock price, which are the Current Ratio (CR) and Return on Assets (ROA). Based on the results of research and discussion shows CR have no
significant effect on stock prices. According to Brigham and Houston (2015: 100), the CR indicates the financial health of a company and how it can maximize the liquidity of its current assets to settle debt and payables. Based on research results CR influence the stock price insignificantly. Companies that can fulfill their obligations on time indicate that the company is in a liquid state however this is only in the short-term period. Therefore, this ratio should be considered for Manufacturing companies to keep steady and maintain the value constantly. it might have no interest for investors but it might be to someone else like creditors.

Investors and prospective investors are expected to be able to assess the stock price movements of a company because stock prices are one indicator of the success of company management. If the stock price of a company always experiences an increase, then the company has been successful in managing its business. The trust of investors and potential investors is very beneficial for a company because the more people who believe in a company, the desire to invest in a company is getting stronger. The more demand for shares of a company can increase the price of these shares. If high stock prices can be maintained, the confidence of investors and potential investors for a company is also higher and this can increase the value of a company. Conversely, if the stock price decreases continuously then this can reduce the value of a company in the eyes of investors and potential investors.

CONCLUSIONS AND RECOMMENDATIONS

A. CONCLUSION

In this research the independent variables used were the variable CR (X₁), DER (X₂), ROA (X₃), PER (X₄), EPS (X₅) on the dependent variable, Closing Price (Y). Based on the calculation of multiple linear regression analysis, it can be seen:

1. To determine the effect of individual (partial) independent variables (CR (X₁), DER (X₂), ROA (X₃), PER (X₄), EPS (X₅)) on the dependent variable Closing Price (Y) is done by testing t-test.
2. Current Ratio (X₁) and Return on Asset (X₃) variables are known to have no significant effect on stock prices (Y). This condition indicates that the two variables cannot be used as consideration by investors and potential investors in purchasing stocks in Manufacturing companies.
3. Debt to Equity (X₂), Earning Per Share (X₄) and Price Earnings Ratio (X₅) are known to have a significant effect on stock prices (Y). This condition indicates that the three ratios can be used as a consideration of investors and potential investors in purchasing stocks in Manufacturing companies.
4. Based on the results of the t test, it is found that the EPS variable has the
highest t value and beta coefficient. So that the EPS variable has the strongest influence compared to the other ratios, the EPS ratio has the dominant influence on stock price.

**B. RECOMMENDATION**

Based on the above conclusions, the findings in this research can be suggested by several suggestions that are expected to be useful for the industry, investors, and future researchers and for other parties. As for the advice given, among others:

1. It is expected that the Manufacturing companies can maintain and improve service to EPS, because the EPS variable has a dominant effect in influencing the Closing Price.
2. For all Manufacturing companies, it should pay attention to financial performance, especially with Debt to Equity ratio, Earnings per Share ratio and Price Earnings ratio, because information about 3 ratios can affect the stock price movements.
3. For investors or potential investors who will invest in the capital market, especially stocks, one of the factors to consider is the company's financial performance. This is because the ratios in assessing the company's financial performance affect the company's stock price.
4. For researchers who are interested in conducting research on similar topics it is recommended to take research with different objects, the latest research period, and other financial ratios in analyzing company performance so that it can be used as a consideration for decision making in stock investing.

Given that the independent variables in this research are very important in influencing stock price, it is hoped that the results of this research can be used as a reference for further researchers to develop this research by considering other variables which are other variables outside the variables that have been included in this research.

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