

DOI: <https://doi.org/10.38035/dar.v1i1>

Received: 22 June 2023, Revised: 5 July 2023, Publish: 7 July 2023

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## The Effect of Sales and Total Debt on the LQ45 Company's Stock Price on the Indonesia Stock Exchange for the 2021-2022 Period

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**Abstract:** This study aims to see the effect of sales and total debt on stock prices in LQ45 companies listed on the Indonesian Stock Exchange from February to July 2022. The independent variables in this study include: sales and total debt, with the dependent variable, namely stock price. The data used in this study are secondary data, obtained from the Indonesian stock exchange. The sampling technique uses simple random sampling. The population of this study is 45 companies listed on the LQ45 IDX for the period August 2021 – July 2022. The total sample size is 20 companies listed on the LQ45 IDX and come from various industrial sectors. Tests performed t test, f test, and the coefficient of determination r-square. Where secondary data has been tested for validity and reliability, and classical assumption tests have been carried out and all data meets to continue analysis or data processing. The company's financial data used covers the years 2021-2022 on the Indonesian stock exchange. Data processing uses the IBM SPSS version 27 data processing application. The results of this study indicate that sales partially affect the stock price of LQ45 companies on the IDX for the 2021-2022 period, total debt has no effect and is not significant on the stock price of LQ45 companies on the IDX for the 2021-2022 period partially, and sales and total debt have no effect and are not significant on the stock price of LQ45 companies on the IDX for the 2021-2022 period simultaneously.

**Keyword:** Total Debt, Sales, Stock Price on LQ45 Company.

### INTRODUCTION

Share price is the value or price per share of a company traded on the stock market. Stock prices can fluctuate continuously throughout trading hours according to requests and offers from investors. Changes in stock prices are influenced by a variety of factors, including a company's financial performance, economic conditions, industry news, market sentiment, and other factors that affect perceived company value. The stock market is a place where shares of various companies are traded, in this case, the LQ45 company. Share prices are determined by the interaction between buyers and sellers in the market. If there are more buyers than sellers (higher demand), then the stock price tends to rise. Conversely, if there are more sellers than buyers (higher supply), the stock price tends to fall. Stock price is simply an indicator of a company's health and value. Stock prices can fluctuate significantly in the short

term, but a company's long-term value has more to do with its fundamentals, such as earnings, profits, growth and business strategy.

LQ45 is a stock index issued by the Indonesia Stock Exchange (IDX). The index consists of 45 companies with high trading liquidity and other criteria set by the IDX. Companies that are included in the LQ45 index are considered companies that have good financial and operational performance. The list of companies in LQ45 may change from time to time depending on the assessment and adjustments made by the IDX. These changes can be caused by factors such as company performance, trading volume and changes in market conditions. The LQ45 index is used as an indicator in tracking the performance of the stock market as a whole, especially the movement of stock prices from companies that are considered to have certain liquidity and quality.

Based on the background of the problems above, the following problem formulation is determined: 1) Does sales have a positive and significant effect on the share price of LQ45 companies listed on the IDX for the 2021-2022 period partially?; 2) Does total debt have a positive and significant effect on the share price of LQ45 companies listed on the IDX for the 2021-2022 period partially?; and 3) Do sales and total debt have a positive and significant effect on the stock price of LQ45 companies listed on the IDX for the period 2021-2022 simultaneously?

## METHOD

This study uses a quantitative descriptive statistical method. The purpose of this study is to see the effect of sales and total debt on share prices in LQ45 companies listed on the Indonesia Stock Exchange for the period August 2021 to July 2022 both partially and simultaneously. The population of this study includes 45 LQ45 companies listed on the Indonesian stock exchange, with a total sample of 20 LQ45 companies from all industrial sectors. The sampling technique is using simple random sampling. Tests carried out in the form of t test, f test and test the coefficient of determination r square. Where secondary data has been tested for validity and reliability, and classical assumption tests have been carried out and all data meets to continue analysis or data processing. The company's financial data used covers the years 2021-2022 on the Indonesian stock exchange. Data processing uses the IBM SPSS data processing application version 27. Secondary data is obtained from the financial reports for the 2021-2022 period on the Indonesian Stock Exchange website which is related to this research. Then the secondary data is processed using a statistical application, namely IBM SPSS version 27 (Ali & Nandan, 2013).

Based on the background, the conceptual framework is determined as shown in Figure 1.

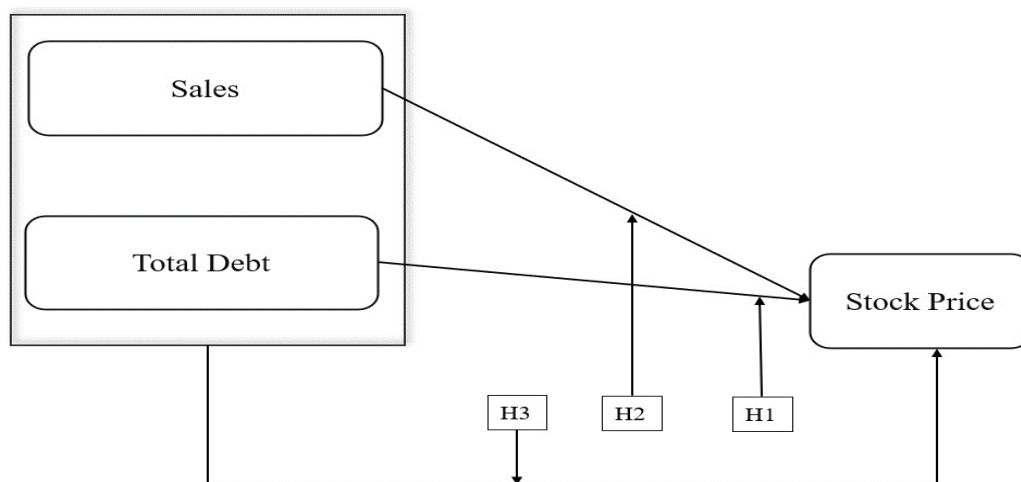


Figure 1. Conceptual Framework

Based on the conceptual framework, determine the research hypothesis as follows:

- 1) H1: Sales have a partial effect on the share price of LQ45 companies listed on the IDX for the 2021-2022 period partially.
- 2) H2: Total debt has a significant effect on the share price of LQ45 companies listed on the IDX for the 2021-2022 period partially.
- 3) H3: Sales and total debt have a significant effect on the stock price of LQ45 companies listed on the IDX for the 2021-2022 period simultaneously.

## RESULTS AND DISCUSSION

### Results

#### T Test

**Table 1. Coefficient**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-2904,428	2694,245		-1,078	,296
SALES	1,126E-10	,000	,471	2,339	,032
TOTAL.DEBT	1,066E-10	,000	,291	1,440	,168

a. Dependent Variable: STOCK.PRICE

b. Source: Output SPSS 27

The t test uses a significance value of alpha ( $\alpha$ ) = 5%. The measurement results based on the output of SPSS version 27, obtained the value of  $t\text{-table} = (0.05/2) = 0.025$  and  $df = n - k - 1 = (20 - 2 - 1) = (20 - 2 - 1)$ , so the results of the t-table are 2.109.

- 1) The results of  $t \text{ count} > t \text{ table}$  ( $2.339 > 2.109$ ) and obtained a significance value of alpha ( $\alpha$ ) 0.032 ( $<$ ) 0.05. So sales have a positive and significant effect on the stock price of LQ45 companies listed on the Indonesian Stock Exchange for the 2021-2022 period.
- 2) The results of  $t \text{ count} < t \text{ table}$  ( $1.440 < 2.109$ ) and obtained a significance value of alpha ( $\alpha$ ) 0.168 ( $>$ ) 0.005. So total debt has no positive and insignificant effect on the stock price of LQ45 companies listed on the Indonesian Stock Exchange for the 2021-2022 period.

#### F Test

**Table 2. Anova**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	487209498,8	2	243604709,4	6,090	,063b
	Residual	679971441,0	17	39998320,06		
	Total	1167180940	19			

a. Dependent Variable: STOCK.PRICE

b. Predictors: (Constant), TOTAL.DEBT, SALES

If the significance value is  $< 0.05$ , the independent variable has a significant effect on the dependent variable. Based on the results of the table above, a significance value is obtained of  $0.063 > 0.05$ . So the independent variable has no significant effect on the dependent variable simultaneously. This means that sales and total debt do not have a significant effect on the stock price of LQ45 companies listed on the Indonesian Stock Exchange for the 2021-2022 period simultaneously. Based on the results of the SPSS 27 output above, an F value of  $6.090 < 10.00$  is obtained. So sales and total debt have no positive and significant effect on the stock price of LQ45 companies listed on the Indonesian Stock Exchange for the 2021-2022 period simultaneously.

## Coefficient of Determination R-Square

**Table 3. Model Summary R square**

Model	R	R Square	Adjusted Square	RStd. Error of the Estimate
1	,646a	,417	,349	6324,423

a. Predictors: (Constant), TOTAL.DEBT, SALES

b. Variabel Dependent: STOCK.PRICE

Based on the model summary table above, an r-square value of 0.417 or (41.7%) is obtained. This shows the percentage of influence of the independent variables, namely sales and total debt on the dependent variable, namely the share price of LQ45 companies listed on the IDX for the 2021-2022 period of 41.7%. This means that  $1 - 0.417 = 0.583$  or 58.3% is influenced by other variables not examined in this study, including:

- 1) Net Profit: (Husadha, C., Zen, A., & Panjaitan, 2014), (Istianingsih, 2016), (Ginny, 2019).
- 2) Price Earning Ratio (Permatasari & Mukaram, 2019), (Mujino et al., 2021), (Fitri Prasetyorini, 2013).
- 3) Return of Equity: (Saputra, 2022a), (Widjanarko et al., 2022), (Rahmadewi & Abundanti, 2018).

## Discussion

Based on the results of the research above, the discussion of the influence between variables is as follows:

### **Sales have a partial and significant effect on the share price of LQ45 companies listed on the Indonesia Stock Exchange for the 2021-2022 period.**

Company sales are the total amount of revenue from sales of a company's products or services over a specified period of time. To find out the company's sales, you can refer to the company's financial statements, especially the comprehensive income statement. This report provides details of the company's net profit after deducting all costs and expenses. A company's financial statements are usually published periodically, and can be found on the company's official website or through the relevant financial authorities that regulate the company. However, for the most accurate and up-to-date information regarding company revenue, you can access the latest financial statements from the company concerned or look for the latest data from trusted financial sources. Company financial information is confidential and must be accessed in accordance with applicable laws and regulations.

Based on the results of  $t \text{ count} > t \text{ table}$  ( $2.339 > 2.109$ ) and obtained a significance value of  $\alpha$  ( $0.032 < 0.05$ ). So sales have a positive and significant effect on the share price of LQ45 companies listed on the Indonesian Stock Exchange for the 2021-2022 period. This means that sales obtained at LQ45 companies listed on the IDX for the 2021-2022 period and presented in the financial statements affect the share prices of these companies. Sales to LQ45 companies are obtained from various industrial activities, such as mining, communications, technology, food and beverages, construction, cigarette sales, and machinery and heavy equipment providers. Because the role of companies included in LQ45 is significant, where the criteria for LQ45 companies include: 1) Having the highest market capitalization within 12 months; 2) The highest transaction value in the regular market within 12 months; 3) Having high financial condition and growth prospects; and 4) Listed on the IDX for at least 3 months. With these criteria, every LQ45 company policy should be considered as a reference for other companies, because it will have an impact on similar companies (H1 Accepted).

Sales have a significant effect on the stock price of LQ45 companies listed on the Indonesian Stock Exchange, this is in line with research conducted by: (Husadha et al., 2020), (Widjanarko et al., 2022), (Suastini & Mandala, 2018).

**Total debt has no effect and is not significant on the share price of LQ45 companies listed on the Indonesia Stock Exchange for the 2021-2022 period partially.**

LQ45 corporate debt listed on the IDX varies depending on the condition or size of the company, its financial structure, the industry's growth rate, and overall economic conditions. LQ45 companies usually obtain funds through various sources, such as bank loans, bonds to the issuance of shares and investors. This debt can be used by companies to finance investments, expand the company, build factories, to finance the company's operations. For LQ45 companies listed on the IDX, they are usually required to report quarterly or annual financial reports, which include information about the condition of the company's debts or the company's financial condition. Quarterly and annual financial reports are useful for investors and shareholders regarding the dividends and benefits they receive as investors in LQ45 companies.

Based on the results of t count  $< t$  table ( $1.440 < 2.109$ ) and obtained a significance value of alpha ( $\alpha$ )  $0.168 (>) 0.005$ . So total debt has no positive and insignificant effect on the stock price of LQ45 companies listed on the Indonesian Stock Exchange for the 2021-2022 period. This means that the amount of debt borne by LQ45 companies listed on the IDX will not affect the company's share price. Debt obtained by the company through bank loans, bonds and the issuance of shares does not affect the stock price (H2 Rejected).

Total debt has no effect on the stock price of LQ45 companies listed on the Indonesian Stock Exchange, this is in line with research conducted by: (Purnianti & Putra, 2016), (Ramadhan, 2019), (Tanjung et al., 2021), (Saputra, 2022b).

**Sales and total debt have no effect and are not significant on the stock price of LQ45 companies listed on the Indonesia Stock Exchange for the period 2021-2022 simultaneously.**

Sales and total debt are an integral part of the company's financial statements. Sales shows the nominal obtained by the company for the sale of its products in the form of products (finished goods) or services. Total LQ45 corporate debt was obtained from the issuance of shares, bank loans to bonds. The purpose of this debt is to expand the business which is beneficial for the continuity of the company and improve the company's performance. Moreover, LQ45 companies are companies with large market capitalization values, so they require business expansion and large capital to carry out their business activities and maintain business continuity.

Based on the results of f count  $< f$  table ( $0.063 > 0.05$ ) and the significance value of alpha ( $\alpha$ ) is  $6.090 < 10.00$ . So sales and total debt have no positive and insignificant effect on the stock price of LQ45 companies listed on the Indonesian Stock Exchange for the 2021-2022 period simultaneously (H3 Rejected).

Sales and total debt have no effect on the share price of LQ45 companies listed on the Indonesian Stock Exchange, this is in line with research conducted by: (AW et al., 2021), (Saputra & Sumantyo, 2022), (Damara & Bangun, 2021), (Tri Wahyono, 2015).

## CONCLUSION

Based on the literature review and discussion above, the researchers draw the following conclusions: 1) Sales have a positive and significant effect on the share price of LQ45 companies listed on the Indonesian stock exchange for the 2021-2022 period partially; 2) Total debt has no positive and insignificant effect on the share price of LQ45 companies listed on the Indonesian Stock Exchange for the 2021-2022 period partially; 3) Sales and total



debt have no positive and insignificant effect on the stock price of LQ45 companies listed on the Indonesian Stock Exchange for the 2021-2022 period simultaneously.

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