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The Influence Of Current Ratio, Net Profit, Total Debt And Own Capital On Stock Prices In The Cement Industry On The Indonesian Stock Exchange Period 2011-2015

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Abstract: This study aims to determine how much influence the share price at the Indonesian Stock Exchange (Case Study at PT. Holcim Indonesia Tbk, PT. Indocement Tbk and PT. Semen Indonesia (Persero) Tbk) and whether there is significant influence Current Ratio, Net Income Total Debt and Equity on stock price on the Indonesia Stock Exchange Period 20112016. The analytical method used is multiple linear regression analysis. Hypothesis testing is done by statistical test simultaneous test (F test) and partial test (t test). Samples are companies listed on the Indonesia Stock Exchange. Analysis of the regression results do after experiencing symptoms multikolinearity assumptions, autocorrelation and heteroscedasticity. From the results paerhitungan using SPSS program by comparing with the significant level $\alpha = 0.05$ (5%). It can be seen that amounted to 37,612 by comparing $\alpha = 0.05$ with 4 degrees of freedom numerator and denominator degrees of freedom 10, obtained at 3,48. greater than (37,612 > 3,48), then Ho is rejected and Ha accepted. Thus it is said that the variable Current Ratio, Net Income, Total Debt and Equity together (simultaneously) has significant influence on stock prices. Partially Current Ratio and Total Debt has a significant influence on stock prices. Meanwhile, Net Income and Capital itself does not have a significant effect on stock price. Conlution is in this research should encourage more enterprise level Current Ratio and Total Debt, because the Current Ratio and Total Debt has a great influence (0,609 and 0,600) and a significant increase in stock price on Cement Industry listed on the Indonesia Stock Exchange. For investors who choose to invest in Cement Industry listed on the Indonesian Stock Exchange may consider the Current Ratio and Total Debt has a significant effect simultaneously.

Keyword: Current Ratio, Net Income, Total Debt, Equity Share, and Stock Price

INTRODUCTION

The capital market is an instrument that trades securities in the form of bonds or equity (shares) for the long term issued by the government and private companies, and its activities are carried out on the exchange. Meanwhile, the Indonesia Stock Exchange can be said to be the manager of the capital market. The capital market acts as a link between investors and companies or government institutions. The capital market is part of the financial market, which performs an economic function by allocating funds efficiently from those who have funds to those who need funds, and a financial function that is indicated by the possibility of obtaining rewards for fund owners in accordance with the characteristics of the investment chosen.

Investors need to have a benchmark in order to know whether if they invest in a company they will get a gain (profit) if the shares are sold. Investors can use the rate ofreturn as a benchmark to see the expected return of a stock. Shares allow investors to get a large amount of return or profit (capitalgain) for a fairly short period of time.

Shares can be defined as a sign of theparticipation or ownership of a person or entity in a company. Shares of companies that have gone public as an investment commodity are classified as high-risk. This is because the nature of the stock commodity is very sensitive to changes thatoccur in the country and abroad, which can be in the form of changes in political, economic, monetary, legislation, and changes that occur within the company itself. These changes can have positive and negative impacts, so investment in stocks can generate profits and risks.

According to Weston and Brigham(2001), factors that can affect stock pricemovements are projected earnings per share, when earnings are obtained, the level of riskfrom projected earnings, the proportion of company debt to equity, and dividend distribution policy. And according to Harjito and Martono (2005), the factors that cause stock price volatility can be divided into 2 groups, namely macro factors and microfactors.

Company performance is also determined by good financial management. Liquidity is needed by a company as a guarantee of the fulfillment of all its short- term obligations. Effective and efficient management of current assets is very important for the company, in order to maintain its liquidity which plays a very important role in determining how much profit the company expects. Because of the importance of liquidity, it is necessary to manage current debt by the company, the greater the dependence of a company on short-term debt in investment, the smaller and more fragile its liquidity.

In this study, the liquidity ratio tool used is the current ratio. The current ratio isa ratio used to determine how far the company's current assets are used to pay off current debt (liabilities) that will be due or paid immediately. The carry ratio is used to measure the company's ability to meet short-term obligations. The way to calculate the current ratio is by comparing current assets.The greater the ratio, the greater thecompany's ability to meet short-term obligations, and vice versa (Fahmi, 2011).

The parameter of company performance that gets the most attention is profit. Net income is the amount of profit earned after tax deductions. Net income is often used as a performance measure or as a basis for other measures, such as return on investment or earnings per share. Netincome is better able to provide a better picture of the relationship between net income and dividend income per share.

Capital is so important in a company that it can be said to be the life of thecompany, meaning that to carry out its daily operations or to make investments, sufficient working capital is needed. To obtain working capital, the company must pay attention to every financial potential that exists. Based on whether the source of capital comes from internal sources or external sources, external sources of funds are sources of funds that come from outsidethe company, meaning that these funds are not obtained from the company's operating activities but are obtained from debt (loans) and own capital. Debt is one of the external funding sources used by companies to fund company activities. According to Munawir (2004), debt is all the company's financial obligations to other parties that have not been fulfilled. This debt is a source of fundsor company capital from creditors. Debt is asacrifice of future economic benefits that may arise due to current obligations. In making decisions on the use of debt, it is necessary to consider the fixed costs arising from the debt, namely in the form of debt interest, which causes an increase in financial leverage. Debt can be divided into two types, namely short-term debt and long-term debt (Saputra et al., 2023).

Management, according to Hasibuan (2006), is the art and science of managing the process of utilizing human resources andother sources effectively and efficiently to achieve a certain goal. According to Manulang (2001), management is the art and science of planning, organizing, preparing, directing, and controlling resources to achieve predetermined goals. According to Drs. Oey Liang Lee (2002), management is the art and science of planning.

Organizing, directing,coordinating, and controlling. Management,according to Siswanto (2006), is the art and science of planning, organizing, directing, motivating, and controlling people and work mechanisms to achieve goals. According to Hartono and Harjito (2010), financial management is all company activities related to obtaining funds, using funds, and managing assetsaccording to overall company goals.

According to Riyanto (2011), financial management is the overall activity concerned with efforts to obtain funds and use or allocate these funds. According to Agus Sartono (2001), financialmanagement can be interpreted as allcompany activities related to efforts to obtain company funds at a low cost and efforts to use and allocate these funds efficiently.

According to Fahmi (2013), financial statements are information that describes the company's financial condition, and furthermore, this information can beused as a description of the company's financial performance. According to Sawir (2001), financial statements are media that can be used to examine the company's health condition and consist of a balance sheet, a profit and loss calculation, and a statement of financial position.

Munawir states that the balance sheet is a systematic report on the assets, debts, and capital prepared at a certain time (2000), while according to Harnanto, the balance sheet is a report prepared with the intentionof showing the state (position) of the company's finances at a certain date (1984). The balance sheet, according to Kasmir (2008), is one of the most important financial statements for the company.

According to Riyanto (2008), capital is the result of production that is usedto produce further. In its development, the notion of capital is emphasized as the value,power, or power to use or use contained in capital goods. Meanwhile, according to Robert C. Higgis (1996), own capital isan estimate of the price of net profit per rupiah of capital (equity) invested in thecompany.

A profit and loss statement is a financial report that provides information about the company's ability (potential) to generate profits (performance) during a certain period. Munawir (2000) defines the profit/loss statement as a systematic report on income, costs, and profit loss obtained by the organization of a company during a certain period.

Net profit is net before extraordinary accounts during the financial year as stated in the Income Statement Pradhono (2004). Net income can be used as a measure of company performance during 1 (one) period. Net income is a measure of how much incoming assets (income and profits) exceed outgoing assets (expenses and losses). Both income and expenses are recorded on an accrual basis, that is, when they occur, no matter whether there is cash generated or issued by the company. According to Suwardjono (2008) profit is a reward for the company's efforts to produce goods and services. This means that profit is the excessof revenue over costs.

According to Munawir (2002) Debt is all the company's financial obligations to other parties that are fulfilled, where this debt is a source of funds or company capital from creditors. Debt is a sacrifice of future economic benefits that may arise due to current obligations. In making decisions on the use of debt, it is necessary to consider the fixed costs arisingfrom the debt, namely in the form of debt interest which causes an increase in financial leverage.

According to Irham Fahmi (2011) Current Ratio is used to measure the company's ability to meet short-term obligations. The way to calculate Current Ratio is by comparing current assets. The greater the ratio marks the greater the company's ability to meet short-term obligations and vice versa, with the formula:

$$\text{Current Ratio} = \frac{\textit{Aktiva Lancar}}{\textit{Utang Lancar}} \times 100\%$$

Shares are a sign of participation or ownership of a person or entity in a company, a piece of stock is a piece of paper that explains that the owner of the paper is the owner (whatever the exact amount) of acompany that issues the paper (shares). A piece of stock has a value or price.

Factors that cause stock price fluctuations can be divided into 2 groups (Harjito and Martono 2005: 2), such as:

a. Macro Factors Macro factors are those that affect the economy as a whole.Interest rates, inflation, national productivity levels, politics and so on canhave an important impact on a company'sprofit potential and ultimately its share price.
b. Micro Factors Macro factors are those that directly impact the company itself. Management changes, the priceand availability of raw materials, labor productivity and so on can affect theprofit performance of individual companies.

According to Sawir (2005) a low Current Ratio usually indicates a problem in the liquidity of the company. A low Current Ratio will reduce the share price of the company concerned, because investors will choose the shares of companies that have a high level of liquidity. Current Ratio that istoo high does not necessarily indicate that the company is in good condition, this is because there is a possibility that there are many company funds that do not rotate, in other words, there is a decrease in productivity due to decreased activity and will ultimately reduce the company's profit income. There is no absolute provision about the level of Current Ratio of a company that is considered good or must beconsidered by a company, because it depends on the type of business, cash flow of a company. Therefore, CR has an effect on changes in Stock Price.

According to Suwardjono (2008) net profit is used to calculate the excess over costs or total costs inherent in production activities and delivery of goods and services. Thus, if the net profit of a companyis increasing or large, assuming there are nocompany losses. Because higher profits willhave a positive effect on companyperformance. The higher the net profit of a company, it will attract the attention of investors to invest in the company. Thus, thedemand for the company's shares will increase and have a positive effect on the share price. Therefore, net income affects the stock price.

According to Munawir (2002) Debt isall the company's financial obligations to other parties that are fulfilled, where this debt is a source of funds or company capital from creditors, the higher and higher it willincrease the company's value. The higher the company value, it will attract investors to join. Even to buy shares. Thus Total Debtaffects the stock price. According to Robert (1996) Capital isan estimate of the price of net income per rupiah of capital (equity) invested in the company. The higher the own capital shows that the company is more efficient in utilizing equity to generate profits, thereby increasing the value of the company so thatit will affect changes in stock prices in the capital market, thus Own Capital affects theShare Price.

METHOD

Data Type and Source. In this study the data used is a type of secondary data, namely data obtained or collected by people who conduct research from existing sources (Sheikh, 2011: 5).The data collected is in the form ofannual financial reports on the Cement Industry in the form of data on Current Ratio, Cash Ratio, Quick Ratio, and Stock Price. The data in this study were obtained from the financial statements of the Cement Industry on the IDX for the period 2011- 2015.

Data Collection Methods

The data in this study were obtained using the documentation method, namely data collection by collecting secondary data from financial reports that have been published on the Indonesia Stock Exchange.

1. Qualitative Method. Qualitative method is a method used to analyze the company's financial data by comparing existing theories and concepts as well as the results of previous research on the problems faced by the company (Istijanto, 2009).
2. Quantitative Method Used to see the effect of current ratio, net income, total debt, and own capital on stock prices, namely by using multiple linear regression analysis, the coefficient of determination, statistical hypothesis testing, "F" and "t". "F" and "t" statistical hypothesis tests. (Djarwanto 2000).

Population and Sample

According to Mudrajat (2003) population is a complete group of elements, which are usually people, objects, transactions, or events where we are interested in studying them or making them the object of research. The population used in this study are Cement Industry companies listed on the Indonesia Stock Exchange (IDX). The sample is part of the number and characteristics possessed by the population. The sample in this study used inclusion criteria. The sampling technique used in this study was purposive sampling, in which sampling was carried out based on certain considerations (Sugiyono, 2009). With the following sample selection criteria:

1. Cement Industry companies listed on the Indonesia Stock Exchange (IDX) before the initial period of research (2011-2015).
2. Cement Industry companies that have not delisted before the end of the study period.
3. Companies that have complete financial reports and are published on the IDX website or the company's website during the observation period (2011-2015).

The sample used is the Cement Industry Company on the Indonesia Stock Exchange (IDX) as many as 3 (three) Cement Industry Companies listed on the Indonesia Stock Exchange (IDX) in 2011- 2015. Table 3 (three) Indonesian Cement Industry companies listed on the Indonesia Stock Exchange:

Table 2.2. Cement Industry CompanyName

No	Cement Industry
1	Holcim Indonesia, Tbk / SMCB
2	Indocement Tunggal Prakarsa,Tbk / INPT
3	Semen Indonesia (Persero), Tbk / SMGR

Uji Asumsi Klasik

The classical assumption test is used to use whether the results of multiple linear regression analysis used to analyze in this study are free from the storage of classical assumptions which include normality, multicollinearity and autocollinearity tests. Each of these tests can be explained as follows: 1) Normality Test; 2) Multicolinerity Test; 3) Heteroscedasticity Test; and 4) Autocorrelation Test.

Analysis Tool

From the data that researchers collect, the analysis tools used are: Linear Regression Analysis Multiple. To find out whether current ratio, net income, total debt, and equity capital affectstock prices, multiple linear regression withpanel data is used. In statistical analysis, if time series data and cross data are combined, it is called panel data. Thus panel data can be defined as data collected from several objects with several times. Other names for panel data are pool data, combination of time series and cross section data, micropanel data, longitudinal data, cohort analysis (Gujarati, 2005). Thuspanel data regression is a regression that uses panel data or pool data which is acombination of time series data and cross section data (Suliyanto, 2011).

Coefficient of Determination (R^2)

In multiple regression analysis, thecoefficient of determination can be obtainedwhich is used to represent the proportion of the dependent variable that is explained by the independent variables. The higher the coefficient of determination, the better the ability of the independent variable to explain the movement of the dependent variable. The value of the coefficient of determination is $0 \leq R2 \leq 1$. When $R2 = 1$, it can be interpreted that the existing independent variables greatly explain changes in the dependent variable. However, if R2 - 0, then the independent variables do not explain changes in the dependent variable.

RESULTS AND DISCUSSION

Effect of Current Ratio, Net Income, Total Debt and Own Capital on Share Price simultaneously.

Simultaneously, the variables Current Ratio, Net Income, Total Debt, and Own Capital affect the share price in the cement industry.This is indicated by Fcount, which is greater than Ftable (37,612 > 3,48), then Ho is rejected and Ha is accepted, which means that it can be said that there is a positive and significant influence between the current ratio, net income, total debt, and own capital together on stock prices in the cement industry listed on the Indonesia Stock Exchange for theperiod 2011–2015.

The coefficient of determination (R^2) value is 0,938, which means that the variation in stock price changes is influenced by changes in the current ratio, netincome, total debt, and own capital by 93,8%, while the remaining 6.2% is influenced by other factors outside the study. However, in this study, the independent variables used were more than one, and the weakness of the coefficient of determination was bias towards the number of independent variables entered into the model.

Effect of Current Ratio, Net Income, Total Debt and Own Capital on Share Price partially

Partially there is an effect ofCurrent Ratio on stock prices, this is indicated by the t_{count} value of the CR (X_1) variable of 5,393 and the t_{table} of 2,262 from the comparison results, it can be seen that the t_{count} is greater than the t_{count} (5,393> 2,262). 2,262 from the comparison results it can be seen that the t_{count} is greater than the t_{count} (5,393 > 2,262). Partially, Net Profit has no effect on stock prices, this is indicated by the t_{count} value of the Net Profit variable (X_2) of 1,731 and the t_{table} of 2,262 from the comparison results, it can be seen that the t_{count} is smaller than the t_{table} (1,731 < 2,262). From the resultsof the calculation partially Net Income has no significant effect on stock prices. Partially, Total Debt hasan effect on stock prices, this is indicated by the t_{count} value of theTotal Debt (X_3) variable of 2,615 andthe t_{table} of 2,262 from the comparison results, it can be seen that the t_{count} is greater than the t_{table} (2,615 > 2,262). From the calculation results partially Total Debt has a significant effect on stock prices. Partially Own Capital has no effect on stock prices, this is indicated by the t_{count} value of theOwn Capital variable (X_4) of 1,615 >2,262. Own Capital variable (X4) of 1,276 and t_{table} of 2,262 from the comparison results it can be seen thatthe t_{count} is smaller than the

t_{table} (1,276 < 2,262). From the results of the calculation partially Own Capital has no significant effect on stock prices.

Which variable has the most effecton Stock Price

Based on the regression results, the regression equation modelis obtained as follows:

$$Y = 17.690 + 0,609\ X_1 + 0,314\ X_2 + 0,600\ X_3 + 0,572\ X_4 + e$$

From this equation, the largestregression coefficient is the X1 or Current Ratio variable, which is 0,609and significant at $\alpha = 5\%$. Thus if the Current Ratio increases by 1%, the Stock Price will increase by 0.609%. This means that to encourage the Stock Price to continue to rise, it is necessary to increase the Current Ratio through increasing Assets and reducing Current Debt.

With regard to that, Cement Industry companies listed on the Indonesia Stock Exchange must really pay attention to their current assets and manage current debt so that they are always good.

CONCLUSION

Based on the results of the research that has been carried out, several conclusions can be drawn on testing the effect of Current Ratio, Net Income, Total Debt and Own Capital on Stock Prices in the Cement Industry listed on the Indonesia Stock. Exchange for the period 2011-2015 asfollows: 1) Based on the F test, it is known thatthe variables Current Ratio, Net Income, Total Debt and Own Capital simultaneously have a significant effect on Stock Price. This can be seen from the Fcount value greater than Ftable (37,612 > 3,48). By using the coefficient of determination, it can be seen that simultaneously Current Ratio, Net Income, Total Debt and Own Capital have contributed to the share price in the Cement Industry by 93.8%,which means that 6.2% of the share price is influenced by other variablesthat are not in this study. 2) Based on the t test, it can be seen thatthe Current Ratio partially has a significant effect on the stock price, because the tcount is greater than the ttable. (5,393 > 2,262), this means that Ho is rejected, meaning that there is a significant influence on theshare price. Total Debt has a significant effect partially because tcount is greater than ttable (2,615 > 2,262). Then Ho is rejected, meaning that there is a significant effect on stock prices. 3) The most dominant variable is the Current Ratio Corelation of 0,609 and significant at the level of 0,000.

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