



Effect of Net Profit Margin (NPM), Return on Assets (ROA) and Debt to Equity Ratio (DER) to Share Prices in Property Companies Registered on the Stock Exchange Indonesia (IDX)

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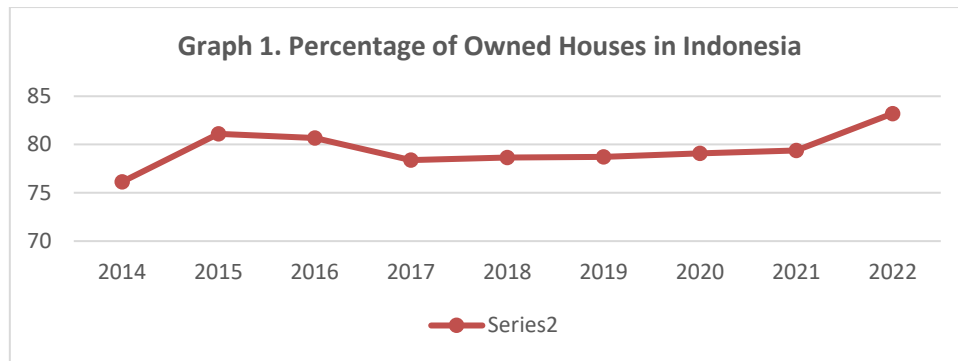
Abstract: Study This aim For know influence net profit margins (NPM), return on assets (ROA) and debt to equity ratio (DER) to prices shares in property companies listed on the Indonesia Stock Exchange (IDX). The population of this study consisted of property companies listed on the IDX on period 2017-2021. Determination of the research sample using the sampling method fed up. There are 35 property companies that meet the criteria. which method used is regression data panel with fixed effect. Results study shows that NPM has a significant negative effect to stock price on company property Which registered in IDX. ROA influential positive significant to the price of shares in property companies listed on the IDX Whereas DER No influential significant to price share on company property registered in IDX.

Keywords: Net Profit Margin, Return on Assets, Debt to Equity Ratio and Price Share

INTRODUCTION

Property is one of the business options that provide guarantees certainty mark profit to investors. Opportunity profit other Which Very promising is the increase in land prices once the property is started built. Soaring price product the caused land which are available the more limited. Various product property including: town house, shop, cluster, home office, apartment, flat, hotels, condominiums, motel, condotel, villa, shops, mini markets, hypermarket, supermarket, specialty stores, mall, square, plaza, trade center And building other such as factories and offices And warehouse.

The following table shows the average development of home ownership in Indonesia:



Source BPS in 2022

In Graph 1 is a graph of home ownership in Indonesia which is still low and fluctuating. this phenomenon proves that there are many societies who can't own House For stay Which livable. Scarcity supply House Also cause price House become expensive. Policy government set ethnic group flower reference Which tallpotentially increase credit congested in sector housing area. Like or No, potency credit congested mortgage will coloring system banking national. The increase in interest rates is certain to erode consumer purchasing power due to the increase instalment mortgage. So that investors are less interested in investing in property. The fluctuations in property share prices are as follows:

Graph 2. Property Share Prices



Source: Indonesia Stock Exchange, 2022

In Graph 2 it can be seen that property stock prices fluctuate so that property stock prices need to get serious attention. How to get investors interested in buying property shares, so that the property industry in Indonesia is getting more advanced.

The Ministry of Public Works and Public Housing (PUPR) has the task of administering government affairs in the field of public works and public housing to assist the President in administering state government. The PUPR Ministry explained that the purchasing power of the Indonesian people is still low uneven. Even the majority of Indonesian people are unable to buy home if not subsidized government. Due to low purchasing power this is one of the reasons for the housing backlog occurring.

Share is letter proof that ownership on assets company Which publish share (Investment Coordinating Board, 2017). Share company property, as commodity investment belong risky tall Because characteristic Commodities are very sensitive to changes that occur. Any investors or candidate investors own objective certain Which want to achieved through decision investment which is taken for the purpose of investors get description which are more clear on the company's ability to continue to grow and thrive on period Which will come. (Investment Coordinating Board, 2017)

Net Profit Margin (NPM) is comparison total amount profit clean with totalincome

company. NPM aim For measureability company produce profit so that NPM become factor Which effective in support the company does investment share.

Study Which done by Almira, and Wiagustini (2020) ROA is ratio Which used For measure profit clean Which obtained from the use of assets, the higher this ratio then the better the productivity of *assets* in obtaining net profit. This matter will increase Power pull company to investors which in turn has an impact on the share price of the company in question market capital .

Ratio finance Which Can made reference For determine worthy nope influence price share And debt to equity ratio (DER) is ratio finance main Which used For evaluate position finance something company. If ratio increase, It means company financed by creditor (giver debt). Therefore company Which own debt to equity ratio or ratio debt to the equity tall Possible No can interesting addition capital with loan from other parties. (Nining AF, A., 2021).

According to Amalya, (2018), Indriawati, et al, (2022), and (Laulita, & Yanni, 2022) NPM has a significant effect on stock prices, whereas according to Handayani, & Harris, (2019) NPM has no influence on stock prices. According to Indriawati, et al, (2022), Mulatsih, and Dewi, (2021), and Taka, (2021), ROA has a significant effect on stock returns, whereas according to Risanti, (2022) ROA has no effect on stock prices. According to Mulatsih, & Dewi, (2021) that DER has a significant positive effect on stock prices, whereas according to Amalya, (2018), Indriawati, et al, (2022), (Laulita, & Yanni, 2022), and Handayani, & Harris, (2019) DER has no significant effect on stock prices.

Based on business phenomena and previous research that still occurs inconsistency, the title study This is “Effect of Net Profit Margin (NPM), Return On Assets (ROA) and Debt to equity Ratio (DER) to Price Share on Property Company Which Registered in Exchange Effect Indonesia (IDX)”.

Formulation of the problem

is There is influence: (1) Net Profit margins (NPM) to price share on company property Which registered in Exchange Effect Indonesia? (2) return on Assets (ROA) to price share on company property Which registered in Exchange Effect Indonesia? (3) Debt to Equity Ratio (DER) to price share on company property Which registered in Exchange Effect Indonesia?

Objective Study

To analyze: (1) Net Profit margins (NPM) to price share on company property Which registered in Exchange Effect Indonesian (2) return on Assets (ROA) to price share on company property Which registered in Exchange Effect Indonesia (3) Debt to Equity Ratio (DER) to price share on company property Which registered in Exchange Effect Indonesia.

Benefit Study

(1) Research This expected capable give contribution indisciplin knowledge accounting and financial management as well as can become reference For study furthermore Benefit Practically, (2) this research is expected to increase knowledge for investors on information finance in do decision making to invest in the capital market, For Company, (3) Divide company study expected can made as material information about business or method Which taken when company experience difficulty finance.

LITERATURE REVIEW

Performance Finance

Financial performance is a company's ability to manage and control its resources. In measuring financial performance can be used Return on Assets (ROA). ROA shows the company's ability to use all of its assets to generate profit after tax. This ratio is important in management to evaluate the effectiveness and efficiency of company management in managing all company assets. The higher the ROA, the more efficient the use of company assets or in

other words, with the same amount of assets, greater profits can be generated and vice versa. (Abd'rachim. 2021).

Financial statements

Studying financial management cannot be separated from financial reports, which basically reflect the results of various decisions taken by company management. Analysis of financial statements will produce information about the development of company performance, and this is important, both for management and other parties related to the company, (Astuti, 2021).

Ratio Finance

Debt to equity Ratio (DER)

The DER Also called ratio debt to equity or debt capital ratio is a ratio financial statements showing the relative proportions of equity And debt Which used For finance asset company. This ratio uses debt and capital for measure the size of the debt ratio. (Kasmere, 2017). Formula DER is:

$$DER = \frac{\text{Total Liabilities}}{\text{Total Equity}}$$

Total liabilities is total debt And total equity is total capital. DER Also used by something company No only For finance assets, capitalas well as bear burden still but Also For enlarge income.

NPM

NPM measure ability company obtain profit from sales. NPM measure percentage of each dollar sales remaining after all fees and expenses, including interest, taxes and preferred stock dividend, has been reduced. Meanwhile according to(Abd'rachim. 2021). NPM is the ratio used for shows the company's ability to produce profit clean after cut tax. The NPM formula is as follows:

$$NPM = \frac{\text{Net Profit}}{\text{Sale}}$$

Return On Assets (ROA)

ROA is ratio profit clean tax Which Also means something size For evaluate how much big level return from asset Which owned company. Ratio This see to what extent investment Which Already implanted capable givereturns as expected. Whereas ROA the formula:

$$ROA = \frac{\text{Earning After Tax}}{\text{Total Assets}}$$

Stock

Stocks are proof of ownership of capital/funds in a company. Furthermore, according to Anggraini, (2021) stock prices are formed through mechanisms demand and supply in the capital market. If a stock experiences excess request, so price share tend go on. On the contrary, if excess offer so price share tend down. Stock prices that occur on the stock market at certain times determined by market participants and is determined by the demand and supply of that stock concerned in market capital. Based on understanding para expert the can concluded that price share is price Which formed as requested And offer in market sell buy share And usually is price closing.

$$\text{Stock Price} = \text{Price at Closing Price}$$

Movement go on descent price share always observed by investors.

Factor Which Influence Price Stock

According to Ramadhani, (2018) prices stock influenced by a number of factors. The main objectives are: (1) Announcement regarding sales production marketing like advertising (2) Announcement of funding, (3) Announcement body directors management (4) Announcements takeover verified (5) Investment announcements such as expansion factory development research And closing business other. (6) Announcement of employment (7) Announcement of the company's financial statements (8) Announcement from the government like change interest rate savings and deposits exchange rate currency foreign, inflation, as well as various regulations And regulation economy Which issued by government. (8) Announcement law like demands to company (9) Announcement industry securities. (10) Conditions company. The more Good performance something company will impact on profit Which obtained company And profit Which got by investors, so that will influence enhancement price share.

Study Previously

Table 1. Results Study Previously

No	Name, Journal	Title	Variable				Results Study
			X1	X2	X3	Y	
1	Manoppo, Tepal, Jan, EMBA Journal, ISSN:2303-1174, Vol.5 No.2 June 2017, Matter. 1813-1822	Effect of CR, DER, ROA and NPM to price share on	<input type="checkbox"/>			<input type="checkbox"/>	No Significant
		company food and beverages that		<input type="checkbox"/>		<input type="checkbox"/>	Significant
		registered on the IDX			<input type="checkbox"/>	<input type="checkbox"/>	No Significant
2	Hutapea, Saerang, Tulung, EMBA Journal ISSN:2303-1174, Vol.5 No.2 June 2017, Matter. 541-552	Effect of ROA, NPM, DER and TATTOOS	<input type="checkbox"/>			<input type="checkbox"/>	No Significant
		on stock prices automotive industry		<input type="checkbox"/>		<input type="checkbox"/>	No Significant
		and component Which registered on the IDX			<input type="checkbox"/>	<input type="checkbox"/>	Significant
3	Fitriani, eJournal Business Administration, Vol.4, No.3 2016, Matter. 802-814	Influence NPM, PBV and DER against price share on company sub sector	<input type="checkbox"/>			<input type="checkbox"/>	No significant
		food And drink on the IDX				<input type="checkbox"/>	<input type="checkbox"/>
4	Watung, Ilat, Journal EMBA, ISSN:2303-1174, Vol.4 No.2 June 2016, Matter. 518-529	Effect of ROA, NPM And EPS to stock price on banking company on the IDX	<input type="checkbox"/>			<input type="checkbox"/>	Significant
				<input type="checkbox"/>		<input type="checkbox"/>	Significant
5	Utami, Darmawan, <i>Journals of Applied managerial accounting,</i>	Influence DER, ROA, ROE, EPS and MVAs		<input type="checkbox"/>		<input type="checkbox"/>	No significant
		to price share					

ISSN:2548-9917, Vol.2 No.2 September 2018, page. 77-89	on index share sharia Indonesia	<input type="checkbox"/>	<input type="checkbox"/>	No significant
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Information: X1 = *Net Profit margins* (NPM); X2 = *return on Assets* (ROAs); X3 = *Debt to equityRatio* (DER) and Y = Price Share

Framework Thinking

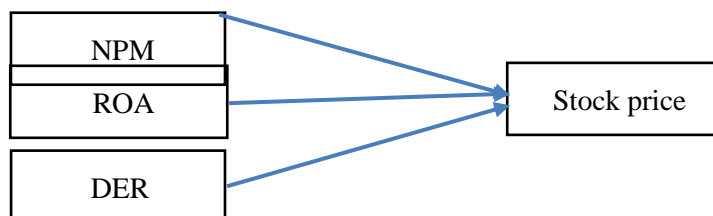


Figure 2. Framework Thinking

Formulation hypothesis

- H1: Net Profit Margins matter positive significant to Price Share on Company Property in Indonesia stock exchange
- H2: Return On Assets has a positive effect significant to Price Share on Company Property in Indonesia stock exchange
- H3: Debt to equity Ratio influential negative significant on Share Prices in Property Companies in Exchange Indonesian Securities

METHOD

Design Study

Type from study This is study associative and quantitative. With variables dependent ie variable bound Which influenced by other independent variables: price stock, while variable independent ones is variable free Which influence the dependent variable namely: *Net Profit margins* (NPM), *Return on Assets* (ROA) And *Debt to Equity Ratio* (DER).

Operationalization Variable

Table 2. Variables And Definition operational

No	Variable	Draft Variable	Measurement	Scale
1.	NPM (X1)	NPM is the ratio used to demonstrate an ability company in produce profit or profit clean.	$NPM = \frac{\text{Profit Clean}}{\text{Sale}}$	Ratio
2.	ROA (X2)	ROA is ratio profit clean tax Which Also means something size assesses how large the level is return from asset Which ownedby company.	$ROA = \frac{\text{Profit Clean}}{\text{Total Assets}}$	Ratio
3.	DER (X3)	DER is ratio Which describe so far where capital the owner can cover the debts to outsiders.	$DER = \frac{\text{Total Liabilities}}{\text{Total Capital}}$	Ratio
4.	Price Shares (Y)	Price share is price Which formed from interaction para seller And stock buyers.	Price Share = Priceat closing (closing prices).	Nominal

Population And Sample

Population

According to Sugiyono (2019) the population is an individual unit or subject on region And time as well as with quality certain Which will observed/observed. The population used in this study is the company property Which recorded on Exchange Effect Indonesia period 2017-2021 Which have complete financial statements. The number of property companies as much 35. There is a number of type criteria in study This, namely: Company property Which registered on Exchange Effect Indonesia period2017-2021 which has complete data based on variables studied are: NPM, ROA, DER and Stock Price.

Sample

The sample is part of the number and characteristics of the population There is. The sample in this study is part of the company properties listed on the Indonesia Stock Exchange for the 2017-2021 period. Technique taking sample in study this is sampling saturated where all the members population used as sample (Sugiyono, 2019). So that sample Which used in study This amount 35 companies, data of 175

Type And Source Data

In study This data Which used is data secondary, in the form of financial reports. Source the data in this study comes from the publication of the company's financial statements properties listed on the Indonesia Stock Exchange (IDX). Type data in study This is data panel Which is a combination of time series data and cross data section. This study used 35 samples property company with a 5 year research period, then the data of this study is data panel. Data collection in this study can also be This is done by collecting documents related to the ratio Which has published in Exchange Effect Indonesia.

RESEARCH RESULTS AND DISCUSSION

Description object Study

In this research, the object of research is the companyproperty Which registered on Exchange Effect Indonesia in 2017-2021. Company property the serve report finance annual in a mannercomplete. Report finance annual got from website Exchange Effect Indonesia And company websites property related. As for information table about company related as follows:

Table 3. Information Table Company

No	Company	Total Assets at year 2021	Profit (Make a loss) onYear 2021	Price Share 2021
1	PT Agung Podomoro Land Tbk	Rp 28,790,116,014	Rp 1,882,581,400	Rp 210
2	PT Natural Silk Realty Tbk	Rp 20,728,430,487	Rp 1,385,189,177	Rp 356
3	PT Bakrieland Development Tbk	IDR 2,922,191,000	(Rp 269,806,000)	Rp 50
4	Bekasi PT Dawn Industrial Estate Tbk	Rp 5,830,427,694	IDR 83,386,493	Rp 250
5	PT Bhuawanatala Beautiful beautiful Tbk	Rp 1,748,640,897	(Rp 31,033,697)	IDR 73
6	PT Bukit Darma Properties Tbk	IDR 786,385,887	(Rp 42,148,089)	IDR 75
7	PT Bumi Serpong Damai Tbk	Rp 45,951,188,475	Rp 5,166,720,070	Rp 1,700
8	PT Ciputra Development Tbk	Rp 31,706,163,000	Rp 1,018,529,000	Rp 1,335
9	PT Cowell Development Tbk	Rp 3,578,766,164	(Rp 69,033,208)	Rp 880
10	PT Dadanayasa Arthatama Tbk	Rp 5,783,264,000	Rp 226,328,000	Rp 2,700
11	PT Ambassador of Anggada Realty Tbk	Rp 6,360,846,000	IDR 30,178,000	Rp 306
12	PT Ambassador Earth Tbk	IDR 308,491,173	IDR 5,963,420	Rp 350
13	PT Eureka Prime Jakarta Tbk	Rp 1,646,043,901	(IDR 9,210,011)	IDR 80

14	PT Fortune Mate Indonesia Tbk	IDR 801,479,951	IDR 8,731,000	Rp 515
15	Greenwood PT Prosperous Tbk	Rp 7,200,861,000	Rp 188,500,000	Rp 150
16	Indonesian PT Prime Properties Tbk	Rp 4,242,935,000	(Rp 66,194,000)	Rp 880
17	PT Intiland Development Tbk	Rp 13,097,185,000	Rp 271,536,513	Rp 350
18	PT Region Industry Jababeka Tbk	Rp 11,266,320,000	Rp 149,840,578	Rp 286
19	PT Lippo Cikarang Tbk	Rp 12,378,227,000	Rp 368,440,000	Rp 3,140
20	PT Lippo Karawaci Tbk	Rp 56,772,000,000	Rp 857,000,000	Rp 488
21	PT Megapolitan Development Tbk	Rp 1,868,642,000	Rp 106,212,000	Rp 260
22	PT Metro Realty Tbk	IDR 80,234,783	(Rp 4,802,933)	Rp 264
23	PT metropolitans Kentjana Tbk	Rp 6,828,046,514	Rp 1,193,639,823	IDR 36,500
24	PT modernland Realty Tbk	Rp 14,599,669,337	Rp 614,773,608	Rp 294
25	PT Nirvana Development Tbk	IDR 4,892,233,716	IDR 3,721,787	IDR 80
26	PT Pakuwon Jati Tbk	IDR 23,358,717	IDR 2,024,627	IDR 450
27	PT Perdana Gapura Prima Tbk	IDR 1,499,462,028	IDR 37,316,086	IDR 103
28	PT Pikko Land Development Tbk	IDR 3,548,567,553	IDR 40,697,612	IDR 170
29	PT Plaza Indonesia Realty Tbk	IDR 4,639,438,405	IDR 286,288,858	IDR 3,550
30	PT Pudjiadi Prestige Tbk	IDR 504,843,79	IDR 6,018,020	IDR 3,550
		5		
31	PT Ristia Bintang Mahkota Sejati Tbk	IDR 218,761,20	IDR 14,519,780	IDR 238
		2		
32	PT Roda Vivatex Tbk	IDR 2,280,461,717	IDR 246,909,721	IDR 6,000
33	PT Sentul City Tbk	IDR 14,977,041,120	IDR 468,559,181	IDR 130
34	PT Summarecon Agung Tbk	IDR 21,662,711,991	IDR 532,437,613	IDR 945
35	PT Suryamas Dutamakmur Tbk	IDR 3,141,680,323	IDR 19,373,381	IDR 105

Source: IDX

Information : Total Asset And Profit (Make a loss) in thousand.

Analysis Data

Election Model Regression Data Panel

According to Ghozali (2018) in choose model right on research This so done a number of testing. Testing the consist of:

Test Chow

Test Chow is testing to determine model where Which most appropriate in estimate data panel that is common effect model or effect. Test Chow done with use test statistics F with hypothesis Which used as following: H_0 : Model follow common effect, H_a : Model follow fixed effect, Alpha: 5%, Conditions : Accept H_0 If F-test value > Alpha. Following This is results from test *chow* Which done with use program Eviews 12 that is:

Table 4. Results Test Chow

Redundant Fixed Effects Tests, Equations: Regression, Test cross-section fixed effects

Effects test	Statistics	df	Prob.
Cross-section F	32.857775	(34,137)	0.0000

Cross-section fixed effects test equation: Dependents Variables: Y
 Methods: EGLS panels (Cross-section weights), Date: 03/12/22 Time: 5:35 p.m
 Samples: 2017- 2021, Period included: 5 Cross-sections included: 35
 total panels (balanced) observations: 175, Use pre-specified GLS weights

Variables	coefficient	std. Error	t-Statistics	Prob.
C	273.8027	45.92244	5.962287	0.0000
X1	-0.557275	0.263520	-2.114740	0.0359
X2	44.00253	6.717176	6.550749	0.0000
X3	-1.110791	0.606703	-1.830866	0.0689
weighted Statistics				
R-squared	0.209934	Mean dependent var		5060966
adjusted R-squared	0.196073	SD dependent var		4935,432
SE of regression	4281232	sum squared resid		3.13E+09
F-statistics	15.14586	Durbin-Watson stat		0.253061
Prob(F-statistic)	0.000000			
Unweighted Statistics				
R-squared	-0.041576	Mean dependent var		1581337
sum squared resid	2.94E+09	Durbin-Watson stat		0.137234

Source : Data processed with Eviews 12 year 2022

Based on table 4 results from test *chow* can seen that mark the probability of the F- test is less than 0.05 (0.0000), so it can be concluded that H_0 rejected And H_a accepted Which state that approach estimate model following the fixed effect model. So it can be concluded that the model is a fixed effect better used to estimate panel data than models common effect.

Hausman test

Hausman test is a test to choose the best model for use in panel data regression between fixed effect and random models effect. hypothesis in Test Hausman as following: H_0 : Model follow fixed effect, H_a : The model follows random effect Alpha : 5%, Conditions: Accept H_0 if the random cross-section probability value < 0.05 . Following This is results from test hausman Which done by using program *Eviews* 12 namely:

Table 5 Results Test Hausman
Correlated Random Effects -Hausman Test, Equation: REGRESSION
test cross-section random effects

test Summary	Chi-Sq. Statistic	Chi-Sq. df	Prob.	
Cross-section random	10.250181	3	0.0166	
Cross-section random effects test comparisons:				
Variable	Fixed	Random	Var(Diff.)	Prob.
X1	-0.742293	-0.625143	0.004567	0.0830
X2	45.923944	67.072788	44.311177	0.0015
X3	-2.206248	-0.578018	1.503006	0.1841

Cross-section random effects test equation: Dependents Variables: Y
Methods: Least panels Squares, Dates: 03/12/22 Time: 5:35 p.m
Samples: 2017 2021, Period included: 5 Cross-sections included: 35
total panels (balanced) observations: 175

Variable	coefficient	std. Error	t-Statistics	Prob.
C	1511.181	332.8201	4.540534	0.0000

X1	-0.742293	0.458335	-1.619543	0.1076
X2	45.92394	27.56550	1.665993	0.0980
X3	-2.206248	3.908732	-0.564441	0.5734

Effects Specifications

Cross-section fixed (dummy variables)

R-squared	0.828786	Mean dependent var	1581337
adjusted R-squared	0.782546	SD dependent var	4030213
SE of regression	1879,367	Akaike info criteria	18.10474
sum squared resid	4.84E+08	Schwarz criteria	18.79195
Logs likelihood	-1546.165	Hannan-Quinn criter.	18.38349
F-statistics	17.92350	Durbin-Watson stat	0.837032
Prob(F-statistic)	0.000000		

Source : Data processed with *Eviews 12*, 2022

Based on table 5 test *hausman* can seen mark probability *cross-section random* more small from 0.05 (0.0166), so that can concluded H_0 accepted Which state that approach estimate model follow *fixed* model *effect*.

Model Fixed effects

From results two test Which done that is test *chow* And test *hausman* it was found that the correct model in this study was the fixed effect model.Fixed Effect is a panel data estimation model using variables dummy to capture the difference in intercept. This model assumes that the regression coefficient remains between companies and between time. The calculation resultswith use program *eviews 12*, so method Fixed effects as following:

Table 6. Results Regression Fixed effects

dependent Variables: Y, Method: EGLS panels (Cross-section weights)
 Dates: 03/12/22 Time: 17:35, Samples: 2017 2021, Samples: 2017 2021
 Periods included: 5,
 Cross-sections included: 35, Total panel (balanced) observations: 175
 linear estimation after one-step weighting matrix

Variable	coefficient	std. Error	t-Statistics	Prob.
C	1460434	42.98550	33.97503	0.0000
X1	-0.329004	0.117182	-2.807623	0.0057
X2	26.92113	3.440803	7.824084	0.0000
X3	-0.086465	0.573935	-0.150653	0.8805

Effects Specifications

Cross-section fixed (dummy variables)

weighted Statistics

R-squared	0.913696	Mean dependent var	5060966
adjusted R-squared	0.890388	SD dependent var	4935,432
SE of regression	1580,846	sum squared resid	3.42E+08
F-statistics	39.20046	Durbin-Watson stat	1.850489
Prob(F-statistic)	0.000000		

Source : Data processed with *Eviews 12*, 2022

Table 6 show that variable independent X1 (NPM) has a significant negative effect because the probability is below 0.05 (Prob <0.05) And the coefficient -0.329 whereas X2 (ROA) influential positive significantBecause probability under 0.05 (Prob < 0.05) And the

coefficient 26,921. The independent variable X3 (DER) has no significant effect on the variables dependent, namely the stock price because the probability is above 0.05 (Prob > 0.05) and the coefficient is -0.086. The R-Squared result is 0.913696 or 91.36%. mark Which show influence variable independent to variable dependent. the rest 8.64% influenced by other factors. Based on results test the so equality the regression as following:

$$Y = 1460.434 - 0.329 X1 + 26.921 X2 - 0.086 X3$$

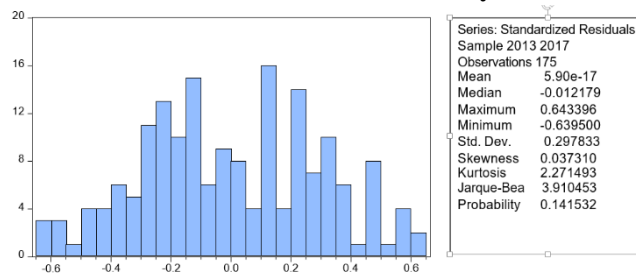
Description: Y= Price Stock, X1= Net Profit Margins, X2= return on Assets, X3= Debt to equity Ratio.

Test Assumption Classic

Normality test

Normality test which is the residual data formed by the regression model linearly distributed normally. Tests for normally distributed residuals or No can use Jarque-Bera test. Following is results from testnormality using programs Eviews 12

Table 7. Results Test Normality



Source : Data processed with Eviews 12. 2022

Based on the results of the normality test, it shows that the p-value the value of the normality test is 0.141532 where the value is > 0.05 so can concluded that the resulting residuals are distributed normal. By Because that's a classic assumption normality fulfilled.

Test Multicollinearity

The Multicollinearity Test is a test carried out to ensure whether in a regression model there is intercorrelation or collinearity between variable free. Intercorrelation is connection the strong one between One variable free with variables free other in the A regression models

Table 8 Results Test Multicollinearity

	Correlation		
	X1	X2	X3
X1	1.000000	0.110613	-0.028260
X2	0.110613	1.000000	-0.038088
X3	-0.028260	-0.038088	1.000000

Source : Data processed by Eviews 12, 2022

Based on the results of the multicollinearity test above, it can be seen that the value correlation other than on the main diagonal is less than 0.8 so it can be concluded that no multicollinearity occurs in between variables independent.

Test Heteroscedasticity

Heteroscedasticity test aims to test whether the regression model occurs inequality

variances from residual One observation to observation other. A good regression model is one that does not have heteroscedasticity. If value prob is smaller than 0.05 (5%) then the regression equation contains heteroscedasticity.

Table 9. Results Test Heteroscedasticity

dependent Variable: RESID01, Method: Least panels Squares,

Dates: 03/12/22 Time: 17:39, Samples: 2017 2021, Samples: 2013 2017,

Periods included: 5, Cross-sections included: 35, Total panels (balanced) observations: 175

Variable	coefficient	std. Error	t-Statistics	Prob.
C	50.74737	332.8201	0.152477	0.8790
X1	-0.413289	0.458335	-0.901719	0.3688
X2	19.00281	27.56550	0.689369	0.4918
X3	-2.119783	3.908732	-0.542320	0.5885

Effects Specifications

Cross-section fixed (dummy variables)

R-squared	0.011925	Mean dependent var	1.38E-14
adjusted R-squared	-0.254927	SD dependent var	1677654
SE of regression	1879,367	Akaike info criteria	18.10474
sum squared resid	4.84E+08	Schwarz criteria	18.79195
Logs likelihood	-1546.165	Hannan-Quinn criter.	18.38349
F-statistics	0.044688	Durbin-Watson stat	0.837032
Prob(F-statistic)	1.000000		

Source : Data processed by Eviews 12, 2022

Based on the test results, it can be seen that the Prob X1 value (NPM) as big 0.3688. Mark Prob X2 (ROA) as big 0.4918 And mark Prob X3 (DER) of 0.5885. Matter This means mark Prob X1, X2 And X3 > 0.05, so free from violation heteroscedasticity assumption.

Test Appropriateness Model

Test Appropriateness model is stages test Which aim For see is model Which used worthy or No. Model Which worthy if the value of F < 0.05. Following are the results of the model feasibility test using the program *Eviews 9*:

Table 10. Results Test Appropriateness Model

R-squared	0.990895	Means dependent var	9.793818
adjusted R-squared	0.988436	SD dependent var	7.100869
SE of regression	0.335650	sum squared resid	15.43457
F-statistics	402.9581	Durbin-Watson stat	1.851600
Prob(F-statistic)	0.000000		

Source : data that processed with Eviews 12, 2022

Based on table 10, can seen that mark statistics F 0.0000. Mark F < 0.05 Which means that models worthy For used.

Test t And R²

Test t And R² useful For test significance coefficient regression Whichgot. Here are the results t test And R² by using program Eviews 12:

Table 11. Results Test t And R²

dependent Variables: LOGY, Method: EGLS panels (Cross-section weights)
 Dates: 03/12/22 Time: 17:58, Samples: 2017 2021, Period included: 5
 Cross-sections included: 35, Total panels (balanced) observations: 175
 Linear estimates after one-step weighting matrix

Variables	coefficient	std. Error	t-Statistics	Prob.
C	6.099874	0.037161	164.1461	0.0000
X1	-0.000165	6.02E-05	-2.747098	0.0068
X2	0.010951	0.002629	4.165858	0.0001
X3	0.000215	0.000485	0.443254	0.6583
Effects Specification Cross-section fixed (dummy variables)				
weighted Statistics				
R-squared	0.990895	Mean dependent var		9.793818
adjusted R-squared	0.988436	SD dependent var		7.100869
SE of regression	0.335650	sum squared resid		15.43457
F-statistics	402.9581	Durbin-Watson stat		1.851600
Prob(F-statistic)	0.000000			
Unweighted Statistics				
R-squared	0.951474	Mean dependent var		6.162815
sum squared resid	16.59199	Durbin-Watson stat		1.577829

Source : data that processed with Eviews 12, 2022

Partial Test (Test t)

Results t test can seen from table 4.9, If mark probability t count (showed on probability) more small from error rate (alpha) 0.05, it can be said that the independent variable has a significant effect on the dependent variable, whereas if the calculated probability value is greater than t alpha 0.05 it means that the independent variables have no significant effect on variable bound. The results of the t test on the independent variable X1 (NPM) have a probability value of 0.0068. This means that the independent variable X1 (NPM) has a significant effect to variable bound ie price share because prob 0.0068 < 0.05.

The results of the t test on the independent variable X2 (ROA) have a probability value of 0.0001. This means that the independent variable X2 (ROA) has a significant effect to variable bound ie price share because prob 0.0001 < 0.05. The results of the t test on the independent variable X3 (DER) have a probability value as big 0.6583. This means variable independent X1 (DER) No influential significant to variable bound that is price share Because prob 0.6583 > 0.05.

Test Coefficient Determination (R²)

Based on the results of table 4.8 it can be seen the results of the Adjusted R-Squared of 0.988436. This means that the independent variables of NPM, ROA and DER have an effect on the stock price of 98.84%. Whereas the remaining 1.16% is influenced by other variables outside the research model. This matter also indicated that the percentage influence of the independent variables NPM, ROA, And DER to variable dependent Price Share as big 98.84. A proportion Which very tall For explain that price share can determined by variables such as Net Profit Margin, Return on Assets and Debt to Equity Ratio.

Discussion Results

Based on results testing, can is known that *Net Profit margins* (NPM) influential negative significant to price share on company property listed on the Indonesia Stock Exchange. NPM is profit clean shared sale, means profit and loss clean And sale a company property

influence go on descent price share. InfluentialThe negative in question is if the NPM ratio increases then the stock price will go down and vice versa. The higher the sales generated by the property company, the will result in a lower NPM ratio because NPM is profit net divided by sales, a decrease in the NPM ratio will increase the share price. Sale Which tall will make para investors interested For buy property company shares. With the growing interest in buy share the so will increase price share Because increasing request.

This is appropriate study previously Which has done by Vera et al (2017) Which states that NPM has a significant effect on stock prices. However This research contradicts previous research by Fitriani (2016) which states that NPM has no significant effect to price share.

Based on results testing on, can is known that *return onAssets* (ROA) influential positive significant to price share in property companies listed on the Indonesia Stock Exchange. ROA is profitnet divided by total assets, this means net income and total assets influence go on descent price share. The positive effect in question is if ROA ratio increases then the stock price will increase and vice versa if If the ROA ratio goes down, the stock price will also go down. The higher the total assets owned, the lower the resulting ROA ratio and this too means a decrease in the share price. But if the lower the total assets owned the higher the resulting ROA ratio and this also means an increase stock price.

ROA describe How company can obtain profits by using the assets owned by the company. If the assets are not high enough, the company can gain profit then it will give a positive signal to the market because this indicates that the company can manage or use its assets owned effectively and efficiently. Investors will be interested in planting capital with buy share company the Because they think Companies can get more profits if the assets are owned bigger/more. With a positive response from the market for the company it will result in an increase in demand and result in an increase stock price. The opposite occurs when the ROA ratio decreases, so does the stock price will go down.

Matter This in accordance with previous research that has been conducted by Watung And Physical defect (2016) Which state that ROA influential significant to stock prices. But this research contradicts other studies has been done before by Hanum (2009) which states that ROA no significant effect against price share.

Based on the test results above, it can be seen that *Debt to Equity Ratio* (DER) does not have influence significant to price share on company properties listed on Indonesia stock exchange. DER is total liabilities divided by total capital, this means the amount of liabilities and capital No influence go on descent price share. No influential Which meant is if ratio DER increase or down still No affect price property company shares.

Property companies can sell their products even if they haven't yetvisible or intangible. For example, a real estate company I want to sell a residential complex which has not been built. Company will cooperate with a bank guaranteed and trusted by the public or potential customers. By offering mortgages, the community would be interested in buying the house especially those who need it even though they can't see it right now. Consumers will make a down payment to the bank to start paying for the house Which they buy each. Then Bank will give fund to the company to build the housing. And then para consumers will repay their respective home loans to the Bank. This illustrates that sometimes companies do not need capital Which very big Because can obtain capital addition from the Bank.

Not always a lot of debt / obligations will result in performance The low one. Sometimes companies add capital for company expansionwith debt And aim produce profit Which more Lots. If with increase capital with debt make company obtain profit Which more Lots so can said performance enough company Good. Will but company Still can be said to be safe if Not yet reach financial distress that is condition Where company experience difficulty finance before happening bankruptcy, so that make the company to perform liquidity. So the size of the DER ratio does not affect the share price of the property companies listed in Indonesia

stock exchange.

This is in accordance with previous research that has been conducted by Utami and Darmawan (2018) which stated that DER had no effect significant to price share. However study This contrary with study Which has done previously by Fitriani (2016) Which States that DER significant effect on stock prices.

CONCLUSION AND RECOMMENDATION

Conclusion

(1) Net Profit margins (NPM) own influence negative significant, (2) Return on Assets (ROA) has a significant positive effect, (3) Debt to equity Ratio No own influence significant to price share on company property Which registered on Exchange Effect Indonesian period 2017 - 2021.

Recommendation

For increase price share, so company properties should increase *Returns on Assets* (ROA), (2) Investors should choose companies with high ROA because companies that have high stock market prices tall will have profits Which high anyway.

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