



The Effect of Total Debt and Sales on Share Prices of Coal Companies Listed on the Indonesian Stock Exchange for the 2018-2021 Period

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Abstract: This research aims to see the effect of total debt and sales on share prices in coal companies listed on the Indonesian Stock Exchange for the 2018-2021 period. The independent variables in this research include: total debt and sales, with the dependent variable being stock price. The data used in this research is secondary data, obtained from the Indonesian stock exchange. The sampling technique used accidental sampling to obtain a sample of 40 coal companies. The tests carried out were the t test, f test, and r-square coefficient of determination. Where secondary data has been tested for validity and reliability, and classical assumptions have been tested and all data is suitable for further analysis or data processing. The company financial data used covers 2018-2021 on the Indonesian Stock Exchange. Data processing uses the IBM SPSS version 27 data processing application. The results of this research show that: 1) Total debt has no partial and insignificant effect on the share prices of coal companies listed on the Indonesian Stock Exchange for the 2018-2021 period; 2) Sales have a partial positive and significant effect on the share prices of coal companies listed on the Indonesian Stock Exchange for the 2018-2021 period; and 3) Total debt and sales have a positive and significant effect on the share prices of coal companies listed on the Indonesian Stock Exchange for the 2018-2021 period simultaneously.

Keywords: Total Debt, Sales, Share Prices of Coal Companies.

INTRODUCTION

Coal is a commodity that is widely used by almost all countries in the world as raw material for steam power plants. Coal is the fuel used to drive steam turbines, thereby producing electricity which is then distributed to households. Developed countries have started to abandon coal and steam power plants (PLTU) because their impact on carbon emissions is very significant. They are starting to use clean energy (green energy) as electricity generation, for example solar power plants (PLTS), wind power plants (PLTA) and nuclear power plants (PLTN). Most of the generators that are still used by developing

countries, especially Indonesia, are PLTUs. The increasing need for electricity has an impact on the condition of coal companies, this can be seen in company sales which are listed in the financial reports of the Indonesian Stock Exchange. Most coal companies in Indonesia sell their products in the form of coal to the State Electricity Company (PT. PLN), this is intended to meet the domestic electricity supply. Then several types of coal produced by coal companies are exported abroad, such as Japan and China which still use coal for electricity generation and industry. Based on this, the problem formulation is determined as follows: 1) Does total debt have an effect on the share prices of coal companies listed on the Indonesian Stock Exchange for the 2018-2021 period?; 2) Do sales affect the share prices of coal companies listed on the Indonesian Stock Exchange for the 2018-2021 period?; and 3) Do total debt and sales influence the share prices of coal companies listed on the Indonesian Stock Exchange for the 2018-2021 period simultaneously?

METHOD

This research uses quantitative descriptive statistical methods. The aim of this research is to see the effect of total debt and sales on the share prices of coal companies listed on the IDX for the 2018-2021 period, both partially and simultaneously. This research covers 10 coal companies listed on the Indonesian Stock Exchange, with 40 companies' annual financial reports. The sampling technique is using accidental sampling. The tests carried out were in the form of t test, f test and r square coefficient of determination test. Where secondary data has been tested for validity and reliability, as well as classical assumption tests carried out and all data is suitable for continued analysis or data processing. The company financial data used covers 2018-2021 on the Indonesian Stock Exchange. Data processing uses the IBM SPSS version 27 data processing application. Secondary data was obtained from financial reports for the 2018-2021 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, H., & Limakrisna, 2013).

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

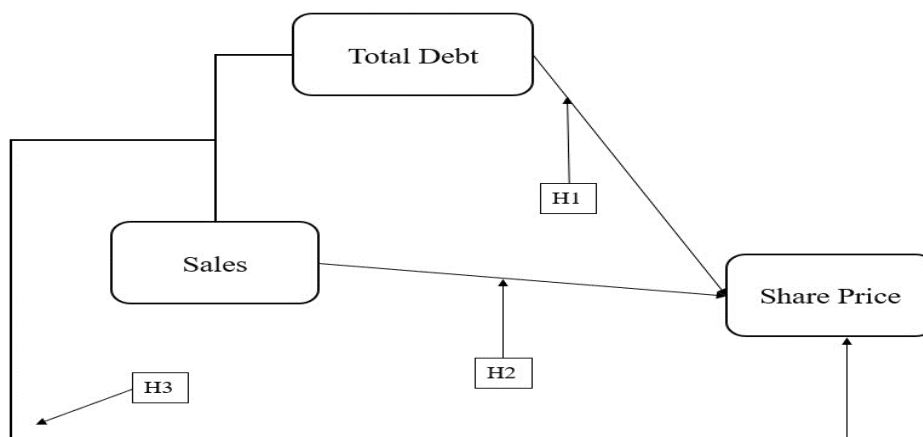


Figure 1. Conceptual Framework

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

- 1) H1: Total debt has a significant effect on coal company share prices partially on the Indonesian Stock Exchange for the period 2018 – 2021.
- 2) H2: Sales have a significant effect on partial coal company share prices on the Indonesian Stock Exchange for the period 2018 – 2021.
- 3) H3: Total debt and sales have a significant effect on coal company share prices simultaneously on the Indonesian Stock Exchange for the period 2018 – 2021.

RESULTS AND DISCUSSION

Results

T Test

Table 1. Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1486,671	1149,627		1,293	,204
TOTAL.DEBT	-9,118E-10	,000	-,455	-1,773	,085
SALES	6,883E-10	,000	1,089	4,247	<,001

a. Dependent Variable: Stock.Price

b. Source: Output SPSS 27

The t test uses a significance value of alpha (α) = 5%. The measurement results are based on SPSS version 27 output, the t-table value = $(0.05/2) = 0.025$ and $df = n-k-1 = (n-2-1) = (40-2-1)$, so the t-table results are 2,026.

1. The results of t calculated $< t$ table $(-1.77E < 2.026)$ and obtained a significance value of alpha (α) 0.085 ($>$) 0.05. So total debt has no positive and insignificant effect on the share prices of coal companies listed on the Indonesian Stock Exchange for the 2018-2021 period.
2. The results of t count $> t$ table $(4.247 > 2.026)$ and obtained a significance value of alpha (α) 0.001 ($<$) 0.005. So sales have a positive and significant effect on the share prices of coal companies listed on the Indonesian Stock Exchange for the 2018-2021 period.

F Test

Table 2. Anova

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	946120901,8	2	473060450,9	18,782	<,001b
	Residual	906710033,1	36	25186389,81		
	Total	1852830935	38			

a. Dependent Variable: Stock.Price

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

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, the significance value obtained is $0.001 < 0.05$. So the independent variable has a significant effect on the dependent variable simultaneously. This means that total debt and sales have a significant effect on the share prices of coal companies listed on the Indonesian Stock Exchange for the 2018-2021 period simultaneously. Based on the SPSS 27 output results above, an F value of $18.782 > 10.00$ was obtained. So total debt and sales have a positive and significant effect on the share prices of coal companies listed on the Indonesian Stock Exchange for the 2018-2021 period simultaneously.

R-Square Coefficient of Determination

Table 3. Model Summary R square

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,715a	,511	,483	5018,604

a. Predictors: (Constant), Total.Debt, Sales

b. Variabel Depend: Stock.Price

Based on the model summary table above, the r-square value is 0.715 or (71.5%). This shows the percentage influence of the independent variables, namely total debt and sales, on the dependent variable, namely the share price of coal companies listed on the IDX for the 2018-2021 period, amounting to 71.5%. This means that $1 - 0.715 = 0.285$ or 28.5% is influenced by other variables not examined in this study, including:

- 1) Total Assets: (F. Saputra, 2022b), (Ramadhan, 2019), (Nofrialdi et al., 2023).
- 2) Return of Assets: (Ayuningrum et al., 2021), (Ali et al., 2022), (F. Saputra, 2022a).
- 3) Return on Equity: (F. Saputra, 2022a), (Widjanarko et al., 2022), (Rahmadewi & Abundanti, 2018).

Discussion

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

Total debt has no partial effect on the share prices of coal companies listed on the Indonesia Stock Exchange for the 2018-2021 period.

Coal company debt varies depending on the condition or size of the company, its financial structure, the growth rate of the coal industry, and overall economic conditions. Coal companies obtain funds or capital from various sources, such as bank loans, bonds and share issuance. This debt can be used to finance investment, mining expansion, factory construction, purchasing equipment, and financing company operations. For coal companies listed on the stock exchange, they are usually required to report quarterly or annual financial reports, which include information regarding the company's debt condition or the company's financial condition (E. B. Saputra & Saputra, 2023).

Based on t count < t table ($-1.77E < 2.026$) and obtained a significance value of alpha (α) $0.085 (>) 0.05$. So total debt has no positive and insignificant effect on the share prices of coal companies listed on the Indonesian Stock Exchange for the 2018-2021 period. This means that the amount of debt owned by the coal company, which was obtained through bank loans, bonds and the like will not affect the company's share price on the Indonesian stock exchange (H1 Rejected).

Total debt has no effect and is not significant on share prices, this is in line with research conducted by: (Manrejo, 2019), (Zulfahmi et al., 2022), (Nata et al., 2021).

Sales have a partial positive and significant effect on the share prices of coal companies listed on the Indonesia Stock Exchange for the 2018-2021 period.

Coal company sales are the total amount of revenue from coal sales during a certain time period. To find out the company's sales, you can refer to the company's financial reports, 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 reports 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 revenues, you can access the latest financial reports from the company in question 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 (F. Saputra & Sumantyo, 2022).

Based on t count > t table ($4.247 > 2.026$) and obtained a significance value of alpha (α) $0.001 (<) 0.005$. So sales have a positive and significant effect on the share prices of coal companies listed on the Indonesian Stock Exchange for the 2018-2021 period. This means that the amount of sales obtained from the sale of coal, which is usually used as fuel for power plants, influences the share prices of coal companies listed on the Indonesian Stock Exchange for the 2018-2021 period. Plus the period 2020 to 2021, during the Covid-19 pandemic,

almost all activities were carried out at home. So the need for household electricity is getting bigger, this requires electricity providers, especially the State Electricity Company, to provide large amounts of electricity. To produce large amounts of electricity, large amounts of coal are also needed to drive the electricity generating turbines (H2 Accepted).

Sales have a positive and significant effect on share prices, this is in line with research conducted by: (Husadha et al., 2020), (Sari, 2020), (Lestari & Widjanarko, 2023).

Total debt and sales influence the share price of coal companies listed on the Indonesia Stock Exchange for the 2018-2021 period simultaneously.

Total debt and sales are an integral part of the company's financial statements. Total debt was obtained from bank loans, share and bond issuance. The purpose of this debt is to use it for company expansion, which is intended for the purchase of heavy equipment used to transport coal on a massive scale (F. Saputra et al., 2023).

Based on the results, the calculated f value is $18.782 > 10.00$ and the alpha (α) significance value is $0.001 < 0.05$. So total debt and sales have a positive and significant effect on the share prices of coal companies listed on the Indonesian Stock Exchange for the 2018-2021 period simultaneously (H3 Accepted).

Total debt and sales have a positive and significant effect on share prices, this is in line with research conducted by: (Manrejo et al., 2020), (Ady et al., 2020), (Marantika et al., 2020).

CONCLUSION

Based on the test results and discussion above, the researchers determined the following conclusions: 1) Total debt has no partial and insignificant effect on the share prices of coal companies listed on the Indonesian Stock Exchange for the 2018-2021 period; 2) Sales have a partial positive and significant effect on the share prices of coal companies listed on the Indonesian Stock Exchange for the 2018-2021 period; and 3) Total debt and sales have a positive and significant effect on the share prices of coal companies listed on the Indonesian Stock Exchange for the 2018-2021 period simultaneously.

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