The Influence of Total Assets and Sales Volume Through Net Profit on Stock Prices in the Pharmaceutical Sub-Sector Listed on the Indonesian Stock Exchange Period 2016-2022

Susi Artati

Lecturer at the Faculty of Economics, Universitas Batanghari, Jambi, Indonesia, Email: susi.artati@unbari.ac.id

Corresponding Author: susi.artati@unbari.ac.id

Abstract: Investors are interested in buying shares because they have high profit expectations, even though the risk is also high. Stocks have the potential to generate very high returns in the long term, especially shares of fast-growing companies. This research aims to determine and analyze the influence of total assets and volume simultaneous or partial sales on net profit, knowing and analyzing the influence of total assets and volume simultaneous or partial sales on share prices, and to determine and analyze the effect of net profit on stock price in the pharmaceutical Sub Sector listed on the Indonesia Stock Exchange for the 2018–2022 period. This research method is quantitative and descriptive, using path analysis. Research data was obtained from secondary data in the form of annual financial reports for each company in the pharmaceutical Sub Sector listed on the Indonesia Stock Exchange for 2018–2022. Statistical analysis was carried out using the SPSS program. The conclusions of this research are: 1) Total assets and sales volume simultaneously have a positive effect and are significant to share prices in pharmaceutical Sub Sector companies listed on the Indonesian Stock Exchange for the 2018–2022 period. 2) Total assets and sales volume simultaneously have a positive and significant effect on net profit in pharmaceutical Sub Sector companies listed on the Indonesia Stock Exchange for the 2018–2022 period. 3) Total assets partially have a positive and significant effect on profit net in pharmaceutical Sub Sector companies listed on the Stock Exchange Indonesia for the 2018–2022 period. Sales volume is partially influential and significant on net profit in Sub Sector pharmaceutical companies listed on the Indonesian Stock Exchange for the 2018–2022 period. 4) Total assets partially have a positive and significant effect on prices and shares of pharmaceutical Sub Sector companies listed on the Stock Exchange of Indonesia for the 2018–2022 period. Sales volume partially has a negative and significant effect on share prices in Sub Sector pharmaceutical companies listed on the Indonesian Stock Exchange for the 2018–2022 period. 5) Net profit has a positive and significant effect on share prices for pharmaceutical Sub Sector companies listed on the Indonesia Stock Exchange for the 2018–2022 period.

Keyword: Total Assets, Sales Volumes, Net Profit, & Stock Exchange

INTRODUCTION

Capital markets can be used to boost long-term financing by issuing bonds or selling stocks (Hartono in Kartikasari, 2019). Capital markets offer various types of financial assets that offer different levels of profit and risk. According to Permata and Ghoni (2019) the objects traded in the capital market are stocks, bonds, derivatives, options, right issues, warrants, and reksadana. Investors and capital owners who wish to invest in the capital market have the freedom to choose from the various types of financial assets available.

Current assets and fixed assets are, of course, important in the company's activities and are the capital of the company. By managing assets effectively and efficiently, the company's operations can run smoothly and are expected to increase profits. The company uses liabilities from external funds to meet its modal needs. One of the main factors affecting the company's revenue is the volume of sales. Sales growth in line with total asset growth can provide positive synergies, which means that asset investment supports efficient operational activities.

It is one of the most important indicators of financial performance, and investors are often attracted to the increase in net income from year to year. Setiawati (2018) Net income is the entire surplus income over total cost over a certain period after deducting income tax, presented in the form of a loss income report.

It can show how effectively a business is using all of its assets to increase sales and ultimately make a profit. The faster the company's total asset level increases, the more profit is generated because the company can already use those assets to increase sales that have an impact on revenue. An increase in revenue can affect the net profit every year.

The higher the sales volume of a company's products, the greater the company's profits. This can be seen from the nominal net profit, which every year increases along with the increase in sales volume. The company will earn a profit if the sales of the product are greater than the costs incurred by the company. The size of the profit earned by the company is influenced by revenue. Revenue is the result of the sale of merchandise.

This total asset shows how big and small a company is in the financial statements. A larger number of assets indicates greater wealth and good performance, which will attract investors. A high volume of sales can usually reflect a large investor interest in the company's stock. If the high sales volume is accompanied by an increase in the stock price, investors believe in the company's prospects, and this can push the stock price up further due to high demand.

Net profit that continues to increase from year to year gives an idea that the company has a good performance and is able to return the investment made by investors. The company's stock price can be affected by Net Profit. Increase Net profit is usually considered good by investors, as it shows good company performance. This can encourage investor interest in the company's shares, which in turn can drive the stock price up.

Based on the above tables and descriptions, the researchers are interested in conducting a study entitled "Impact of Total Assets and Sales Volumes Through Net Profit on Stock Price on the Pharmaceutical SubSector Listed in the Indonesian Stock Exchange Period 2016-2022".

Based on this background description, the aim of this research is to analyze: 1) The direct and indirect influence of total assets and sales volume on net profit in the Pharmaceutical Sub-Sector listed on the Indonesia Stock Exchange for the 2016–2022 period; 2) Direct and indirect influence of total assets and sales volume on share prices in the

Pharmaceutical Sub-Sector listed on the Indonesia Stock Exchange for the 2016–2022 period; 3) The influence of net profit on the share prices of the pharmaceutical subsector listed on the Indonesia Stock Exchange for the 2016–2022 period; and 4) The influence of total assets and sales volume through net profit on share prices in the pharmaceutical sub-sector listed on the Indonesian Stock Exchange for the 2016-2022 period.

METHOD

In this study, a quantitative research method is used, where the data is used in the form of numbers and analysis using statistics.

According to Sunyoto in Putri (2018) Normality Test which will test the data of the free variable (X) and the data of the bound variable (Y) on the regression equation produced, normally distributed or abnormally distributed.

The formula to calculate the correlation coefficient sought is to use the Product moment coffee from Karl Pearson. The reason for using this technique is because the variables that are to be found for correlation have an interval measurement scale. According to Muhidin and Maman (2011) as follows:

$$Y = pyx_1.X_1 + pyx_2.X_2 + e_1$$
$$Z = pzx_1.X_1 + pzx_2.X_2 + e_2$$
$$Z = pzy.Y + e_3$$

Information: X_1 = Total Assets; X_2 = Sales Volume; Y = Net Profit; Z = Stock Price; & P = Correlation Coefficient

The F test is used to test the influence of independent variables simultaneously on dependent variables (Priyanto, 2013). The t-test is used to test the influence of partial independent variables on dependent variables (Priyanto, 2013).

The determination coefficient (R) essentially measures how far capital is able to explain independent variables. A small R Square value means the ability of independent variables to explain dependent variables.

RESULTS AND DISCUSSION
Path Analisis

This analysis is one option in order to study the dependence of a number of variables in the model. This analysis is a good method for explaining when there is a large set of data to analyze and look for causal relationships. The development of a path analysis model must be based on quality relationships that have a strong theory. This development aims to develop causality that wants to be tested and expressed in the form of an equation before making a path analysis. The model is designed based on concepts and theories. The output of the path analysis results in this study is presented in the following table:

Table 1. Output *Path Coefficient*

No	Model	Unstandardized Coefficient		Beta
		B	Std. Error	
1	$X_1 - Y$	1,935	0,504	1,519
2	$X_2 - Y$	-0,781	0,494	-0,625
3	$X_1 - Z$	0,650	0,324	1,656
4	$X_2 - Z$	-0,473	0,318	-1,231
5	$Y - Z$	0,195	0,038	0,634
$rx_1x_2 = 0,986$				

Source: SPSS 22.0 for windows output.

Based on the SPSS output as summarized in Table 1 above, the following research model results were formed.
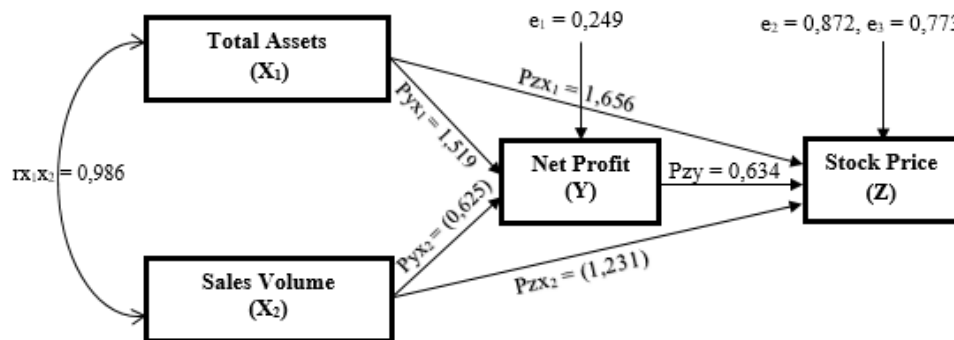

Figure 1. Results of the Path Analysis Model

After testing the model, the next step is to test the hypothesis to see the influence of the independent variable on the dependent variable both simultaneously through the F test by comparing the value of F-count $\geq$ F-table (3.24) at an error level of 5% (< 0, 05), and partially through the t test by comparing the calculated t-value $\geq$ t-table (1.685) at an error level of 5% (< 0.05) it can be stated that there is a positive and significant influence between latent variables, meaning that the hypothesis of the research model being built can be accepted (proven) and conversely, the model or influence between latent variables can be declared not accepted (the hypothesis is not rejected). The results of hypothesis testing in this research are summarized in the following table.

Table 2. Summary of calculated F and t calculated values

Hypothesis	F and t-count	Sig.	Information
X_1 & X_2 -> Y	92,208	0,000	Hypothesis Accepted
X_1 -> Y	3,837	0,000	Hypothesis Accepted
X_2 -> Y	-1,580	0,122	Hypothesis Rejected
X_1 & X_2 -> Z	6,130	0,005	Hypothesis Accepted
X_1 -> Z	2,004	0,052	Hypothesis Rejected
X_2 -> Z	-1,490	0,144	Hypothesis Rejected
Y -> Z	5,191	0,000	Hypothesis Accepted

Source: SPSS 22.0 for windows output.

From the results of hypothesis testing as summarized in Table 2 above, four hypotheses were accepted, while the other three hypotheses were rejected. In detail the results of testing this hypothesis will be discussed further as follows.

Discussion
Direct and indirect influence of Total Assets and Sales Volume on Net Profit
From the results of the Path Analysis structure I test and hypothesis testing (t test) it shows that the direct influence of Total Assets on Net Profit is 230.74%, while the indirect influence of Total Assets through Sales Volume is (93.61%). These results show that the direct effect is greater than the indirect effect. Hypothesis testing using the t test shows that tcount > ttable (3.837 > 1.685) with a significance value of 0.000 < 0.05, so Ho is rejected

and Ha is accepted, which means there is a significant influence between the Total Assets variable on Net Profit.

Based on these results, it can be concluded that the greater the total assets owned by a company, the greater the company's ability to generate profits, because companies with greater assets have more resources to carry out business operations and generate profits and sales. And this is reinforced by the results of research conducted by Putri (2018), Zulkarnain (2020), Juwita et al (2021), & Alfiansyah (2022) which states that total assets have a positive and significant effect on net profit.

From the results of the Path Analysis test structure 1 and hypothesis testing (t test) it shows that the direct influence of Sales Volume on Net Profit is 39.06%, while the indirect influence of Sales Volume through Total Assets is (93.61%). These results show that the direct effect is greater than the indirect effect. Hypothesis testing using the t test shows that tcount < ttable (1.580 < 1.685) with a significance value of 0.122 > 0.05, so Ho is accepted and Ha is rejected, which means there is an insignificant influence between the Sales Volume variable on Net Profit.

Based on these results it can be concluded that when sales volume increases it should have a positive impact on the company's net profit, but in reality in the field this does not always follow an increase in net profit. Several reasons why high sales volumes do not necessarily have a positive effect on net profit include increased operational costs, higher costs of goods sold, or high marketing and promotion costs at the start of a new product launch with a high sales volume. And this is reinforced by the results of research conducted by Ammy (2021) and Suzan & Ayunina (2022) which states that sales volume has a negative and significant effect on net profit.

Based on the results of the hypothesis test (f test) simultaneously between the Total Assets and Sales Volume variables and the Net Profit variable, it shows Fcount > Ftable (240.354 > 3.24) with a significance level of 0.000 < 0.05. So, as is the basis for decision making in the F test, it can be stated that Total Assets and Sales Volume simultaneously have a positive and significant effect on Net Profit.

Direct and indirect influence of Total Assets and Sales Volume on Share Prices

From the results of the Path Analysis structure II test and hypothesis testing (t test), it shows that the direct influence of Total Assets on Share Prices is 274.23%, while the indirect influence of Total Assets through Sales Volume is (201.00%). These results show that the direct effect is greater than the indirect effect. Hypothesis testing using the t test shows that tcount > ttable (2.004 > 1.685) with a significance value of 0.052 > 0.05, so Ho is rejected and Ha is accepted, which means there is an insignificant influence between the Total Assets variable on Share Prices.

Based on these results, it can be concluded that a larger number of assets indicates greater wealth and good performance, so it will attract investors. The more investors who are interested in a company and have a lot of assets, the higher the share price. This is because a larger number of assets indicates that the company has a lot of wealth and has good prospects for the future which will make investors positive and interested in investing in it.

From the results of the Path Analysis structure II test and hypothesis testing (t test), it shows that the direct influence of Sales Volume on Share Prices is 151.54%, while the indirect influence of Sales Volume through Total Assets is (201%). These results show that the direct effect is greater than the indirect effect. Hypothesis testing using the t test shows that tcount < ttable (1.490 < 1.685) with a significance value of 0.144 > 0.05, so Ho is

accepted and Ha is rejected, which means there is no significant influence between the Sales Volume variable on Share Prices.

Based on these results, it can be concluded that sales volume reflects changes in demand and supply that occur in the market. Companies that have high sales volume will attract investors to invest their funds, with many interested investors increasing demand for these shares. With increasing demand for shares, share prices will increase. However, in this case there is no conformity which shows that there is a negative relationship between sales volume and share price, this is most likely because there are other factors that investors consider when buying shares. And this is reinforced by the results of research conducted by Mulyani & Kusumah (2015) and Gunarto & Wulansari (2020) which stated that sales volume had a negative and insignificant effect on stock prices.

Based on the results of the simultaneous hypothesis test (f test) between the Total Assets and Sales Volume variables and the Stock Price variable, it shows that Fcount > Ftable (6.130 > 3.24) with a significance level of 0.005 < 0.05. So, as is the basis for decision making in the F test, it can be stated that Total Assets and Sales Volume simultaneously have a positive and significant effect on Share Prices.

The Effect of Net Profit on Share Prices

Based on the Hypothesis Test, it shows that the results of the partial test (t test) between the Net Profit variable have a negative and insignificant effect on the Stock Price variable. This is shown by tcount > ttable (5.191 > 1.685) with a significance value of 0.000 < 0.05, so as is the basis for decision making in the t test, it can be stated that Net Profit partially has a positive and significant effect on Share Prices. Based on the results of this research, it can be concluded that in making investments, investors are not motivated by the company's net profit results, they only look at the sales growth percentage data and dividend policy.

The company is said to be able to increase sales every year without experiencing constant sales growth and its dividend policy is able to increase every year which is useful in increasing investor confidence and indirectly telling investors that the company's ability to generate profits increases along with the share price it obtains, because it gets higher The greater the net profit generated by the share price, which results in increased demand for share prices, which in turn will increase share prices.

Similar research was conducted by Bahtiar & Kharisma (2020), Nawangwulan et al (2018), and Setiawati (2018) which stated that net profit had a positive and significant effect on share prices.

The influence of Net Profit in mediating the relationship between Total Assets and Sales Volume on Share Prices

Based on the results of the analysis tests that have been carried out, it shows that the total contribution of the influence of the variables Total Assets and Sales Volume together on Net Profit is 269.80%. The influence contribution given by the Total Assets and Sales Volume variables together on the Share Price is 425.77%. This means that the variables Total Assets and Sales Volume contribute a positive influence to Net Profit and Share Prices. The contribution of Net Profit to Share Prices is 40.20%. Then, based on the table, the significant value of the Net Profit variable is 0.000 > 0.05, which means that Net Profit has an effect on share prices.

Based on the results of analysis tests that have been carried out through Path Analysis, it is clear that Total Assets and Sales Volume through Net Profit on Share Prices have a direct influence of 208.26%, while the indirect influence of Total Assets and Sales Volume through Net Profit on share prices is (181 .59%). So the total direct and indirect influence obtained is 26.67%. This shows that Total Assets and Sales Volume through Net Profit directly influence

share prices. And indirectly, Total Assets and Sales Volume through Net Profit have no effect on Share Prices.

So it can be concluded that the Net Profit variable is able to mediate the influence of Total Assets and Sales Volume on Share Prices. So it can be concluded that Net Profit as an intervening variable is able to mediate the relationship between Total Assets and Sales Volume on Share Prices in the Pharmaceutical Sub-Sector listed on the Indonesia Stock Exchange for the 2016-2022 period.

CONCLUSION

Based on the results of research regarding the influence of Total Assets and Sales Volume on Share Prices with Net Profit as an intervening variable in pharmaceutical sub-sector companies listed on the Indonesian Stock Exchange for the 2016-2022 period, the following conclusions can be drawn: 1) Total Assets and Sales Volume in general direct effect of 269.80% and indirect effect of (187.22%) on Net Profit; 2) The total direct and indirect influence of Total Assets and Sales Volume on Net Profit is 82.58%; 3) Total Assets and Sales Volume directly have an effect of 425.77% and indirectly have an effect of (402.00%) on Share Prices; 4) The total direct and indirect influence of Total Assets and Sales Volume on Share Prices is 23.77%; 5) The influence of Net Profit on Share Prices is 40.20%; and 6) Total Assets and Sales Volume to Share Price via Net Profit of 26.67%.

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