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THE ROLE OF STOCK PRICES IN MODERATING THE INFLUENCE OF PROFITABILITY, SOLVENCY, AND FIRM SIZE TO FIRM VALUE IN CONSUMER GOODS INDUSTRY SECTOR COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE (IDX) 2015-2020 PERIOD

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Keywords:
Profitability, Solvency, Firm Size, Firm Value, Stock Price

Abstract

This study aims to analyze the effect of profitability, solvency, and firm size on firm value with stock price as a moderating variable. This research was conducted on consumer goods industrial sector companies listed on the Indonesia Stock Exchange (IDX) in 2015-2020. The number of samples in this study was determined by purposive sampling method so that the number of samples that met the criteria were 26 companies. The type of data used is secondary data obtained through www.idx.co.id. The data analysis method used is Panel Data Regression with the Moderated Regression Analysis (MRA) test using the Eviews 10 software application. The results show that profitability has a positive and significant effect on firm value, solvency has a positive and significant effect on firm value, and firm size has negative and significant effect on firm value, stock prices are able to moderate the relationship between profitability, solvency, and firm size on firm value.

I. INTRODUCTION

The development of the business world in an increasingly stringent globalization era requires companies to create and produce good corporate value. The high value of a company reflects financial strength and ability in utilizing company resources efficiently so as to attract investors to invest in the company (Dhani & Utama, 2017). The value of the company is an investors perception of the company's level of success and is often associated with the share price. The high stock price causes the firm value to This will increase market confidence in the company's current performance and the company's prospects in the future. Maximizing company value is crucial This means for a company, because maximizing the value of the company also means maximizing the company's main goal, namely increasing the welfare of the owner and its shareholders. With a good company value, the company will considered good and will gain the trust of potential investors regarding the company's performance is and the company's

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prospects in the future.

In this study, one of the parameters used to measure company value is Price to Book Value (PBV). The higher the value of the PBV ratio, the more reflects the company's success in creating shareholder value and the greater the growth of market confidence in the company's future prospects, thereby increasing the value of the company. Therefore it is important for the company to increase the value of the company and need to identify the factors that affect it.

Profitability ratio is one of the factors that can affect the value of a company. Profitability ratio is a ratio that measures the ability of a companyto generate profits and is a measure of effectiveness company management (Lubis et al., 2017). Companies with capabilities generate high profits of course have good business management, so that can increase investor confidence. Profitability in this study is measured with Return on Assets (ROA). Return on Assets (ROA) is a measurement of the after tax income available to company owners on their capital invest in the company. According to Syamsudin (2007) stated that in general, the higher the company's profit, the better the status of the owner of the companyas well as the value of the company. Research conducted by Widyastuti (2019), Zuhroh (2019), and Husna & Satria (2019) support the statement that is, the profitability ratio as measured by ROA has a significant effect to the value of the company. In line with research conducted by Firdaus & Rohdiyarti (2021) and Ramadhanty & Sukmaningrum (2020) which state that profitability affects firm value. In contrast to the research which conducted by Sondakh (2019) and Putranto & Kurniawan (2018) which state ROA has a significant negative effect on firm value.

In addition to the profitability ratio, an indicator that must be considered is the ratio solvency. The solvency ratio in the study was measured by the Debt to Total Assets Ratio (DAR) by comparing the total liabilities with the total assets owned by the company. Companies with good and healthy financial performance can generate high profits and pay off debts on time. Considering the debt burden borne by the company, it is hoped that the company will succeed in financing and managing assets properly and generate profits so that the company has a positive response which will have an impact on increasing the value of the company Some researchers have conducted a number of previous studies linking the solvency ratio with company values, including research by Radja & Artini (2020), Jang & Utomo (2021), and Ramadhanty and Sukmaningrum (2020) which show that the variable DAR has a significant positive effect on the value of the company. While the results that are not aligned are shown by the research of Kristi & Yanto (2020) and Widyastuti (2019) showing the results that the Debt to Total Assets Ratio (DAR) has a significant negative effect on firm value.

The size of the company can also affect the value of the company. Therefore, company size can be an indicator that needs to be considered by investors. According to Riyanto (2013:305), company size can be measured by using the total assets, total income, and total capital of the company. Company is large considered to have good prospects because it reflects that the company is developing, so investors will give a positive response against the company. High investor confidence in the prospects of a company so that it will increase the value of the company. Company size based on research conducted by Sondakh (2019) and Husna & Satria (2019) showed a positive and significant effect on firm value. It is in line with research by Radja & Artini (2020) and Lambey et al., (2021) which found that there was a positive and significant effect

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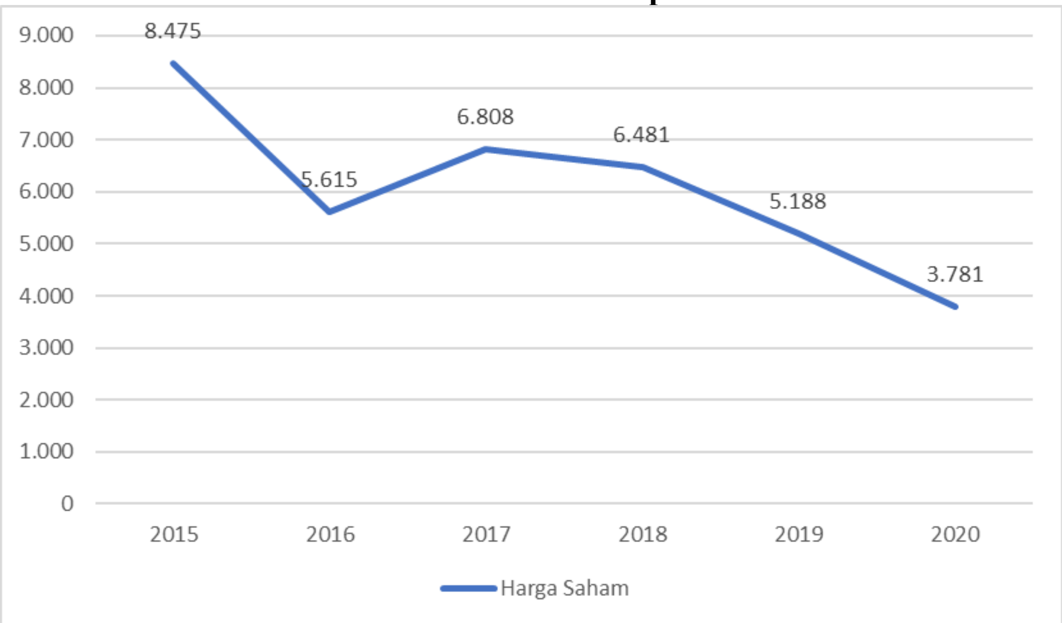
between firm size and firm value. This is different from the research conducted by Zuhroh (2019) and Septyanto & Nugraha (2021) which showed a negative and significant effect between firm size and firm value.

The value of a company can be reflected in the stock price (Harmono, 2014). According to Sujoko & Soebiantoro (2007) stock prices are closely related to company value because they reflect investors' perceptions of the company's success. The more investors buy shares of a company, the higher the price the company's shares. High stock prices will also create greater value high for the company. This is because shareholder wealth is reflected in the price company stock. Firdaus & Rohdiyarti (2021) in their research stated that if the company's stock price increases, then shareholder wealth also increases thus affecting the value of the company. High company value will be positive signal for future business developments, there by attracting investors to invest in the company. If the stock price of a company continues to increases, potential investors will judge that the company has succeeded manage their business.

The development of the consumer goods industry sector, which should be the bestgrowth among other sectors, is not reflected in stock prices the sector. The fact that happened is the average stock price of the goods industry sector consumption listed on the Indonesia Stock Exchange (IDX) in 2015-2020 experienced a decline. The decline in stock prices is an interesting phenomenon to study because it relates to the value of the company. The following is a graph of the average stock price of .companies in the consumer goods industry sector for the 2015-2020 period.

Figure 1. Average stock price of companies in the consumer goods industrial sector for the period 2015-2020



Source: Data processed by researchers, 2022

Based on the graph presented above, it shows that the development of share prices ofcompanies in the consumer goods industry during the period 2015-2020 experienced a significant decline. The profits obtained by a company do not always bring positive value to the company. Economic conditions unstable is one of the risk factors in doing business This shows that the decline in stock prices can reduce the value of a company, and investors believe when a company's stock price declines it can reflect a decline company performance. Therefore, investors need information about the company's performance when making policy investment.

Based on the description above, the problems raised in this study has the aim of knowing whether the variables of profitability, solvency, and company size have an effect on firm value with stock prices as a variable moderation.

Signalling Theory

Signaling theory was first described by Spence in 1973. In 1977, Ross developed signal theory further. According to Ross (1977), company leader with better information about the company they are encouraged to share this information with potential investors to help raise the company's stock price. If the information provides good signal (good news) to investors, investors will be interested in undertake further investment actions. On the other hand, if the resulting information reflect many bad signals (bad news), potential investors will change their minds and look for another company with better information. One type of information issued by a company that can send a good signal to external parties is its annual financial report. In signal theory, the reason why companies share financial reporting information with outsiders is information asymmetry or information imbalance, where only the company knows about the company and its future potential in relation to investors (Purwaningsih & Aziza, 2019). Therefore, management provides a signal to external parties in the form of reliable information to increase the value of the company. Signaling theory prioritizes the importance of information issued by companies for decision making as investors. Investors always need complete, relevant, accurate and up to date for analysis in making decisions.

Firm Value

Firm value is a special condition achieved by a company to show public trust in the company. Investors will decide that they are willing to buy shares of a company at a fixed price, based on their perceptions and beliefs. According to Sudana (2019:8) company value is the present value of a set of income or cash inflows that will be generated by the company in the future. The value of a company is very important for a company because the increase in company value is directly proportional to the increase in the company's share price which reflects the increase in the welfare of its shareholders. In this study, to measure firm value, the following formula was used:

$$PBV = \frac{Market\ Price\ per\ Share}{Book\ Value\ per\ Share}$$

Profitability

According to Kasmir (2014: 115) the profitability ratio is a ratio that measures the company's ability to generate profits within a certain period of time. A high level of profitability indicates that the company is profitable because the company generates high profits. In this study, profitability is calculated using Return on Assets (ROA) which is a measure of the company's ability to use all of its assets to generate profits for the company. The higher the ROA value, the better the company's performance. The higher the ROA value, the more efficient a company is in using its assets to generate profits, thereby increasing the value of the company. In this study, to measure profitability, the formula used as:

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$$ROA = \frac{Net\ Income}{Total\ Assets}$$

Solvency

The solvency ratio shows the company's ability to pay return all of its obligations, in the short and long term, if the company is liquidated (Kasmir, 2016:155). In this study, the solvency ratio calculated using the Debt to Total Assets Ratio (DAR) by comparing total debt with total assets owned by a company. The higher the ratio In this case, the higher the proportion of debt used to finance asset investment, the the greater the financial risk and vice versa. Acquire assets indirectly, especially through debt, will increase the solvency ratio. Companies with value high solvency will face significant financial risk, but they also can potentially generate high returns. According to Hanafi (2011:301) debt can be seen as a positive signal if there is an increase in firm value. In this study, to measure solvency, the following formula was used:

$$DAR = \frac{Total\ Debt}{Total\ Assets}$$

Firm Size

Firm size is a value that describes the size of a company which can be reflected in total assets, total sales, and average sales (Riyanto, 2013: 305). The more assets a the bigger the company (Hartono, 2013: 283). If the total assets of a large company, the value of company is high and vice versa. Asset-rich companies tend to have lower bankruptcy risk and can attract the market. In this study to measure the size of the company used the following formula:

$$Firm\ Size = Ln\ (Total\ Assets)$$

Stock Price

The stock price is the price that occurs in the capital market at a certain time, determined by market participants, and determined by the supply and demand for the shares concerned in the capital market. Stock prices are formed by the supply and demand mechanism in the capital market. Stock prices tend to rise when stocks experience excessive demand. Vice versa, stock prices tend to fall when oversupply occurs. The high stock price makes the company value too tall. The rise and fall of stock prices is determined by the company's ability to make a profit. If a company has a high return, then ability to pay relatively high dividends which has a positive impact on stock prices on the exchange and investors are interested in buying. As a result, the demand for the stock increases, which will have an effect on increasing the share price.

Hypothesis Development

The effect of profitability on firm value

The performance of a company can be measured by its ability to produce profit. High profitability is a good sign prospectsfuture which will encourage investors to increase demand for shares so that it will increase the value of the company. The higher the ROA, the better company performance (Kasmir, 2014:125). An increase ROA impact on increasing the welfare of the company's shareholders. The results of research conducted by Ramadhanty & Sukmaningrum (2020), Widyastuti (2019), Husna & Satria (2019), Firdaus & Rohdiyarti (2021), and Zuhroh (2019) stated that *Return on Assets* (ROA) has a significant positive effect on firm value. Based onexplanation above, the first hypothesis can be formulated, namely:

H_1: Profitability has a positive effect on firm value.

The effect of solvency on firm value

The solvency ratio is an indicator of how well the company manages debts to earn profits and pay off debts. Ability management of a company in managing its debt effectively will increase the value of the company so as to gain investor confidence to invest in the company. The higher this ratio, the higher the proportion of debt used to finance asset investment, the greater the financial risk and vice versa. Companies with high solvency values will face significant financial risks, but they can also potentially generate high returns. Hanafi (2011:301) explains that debt can be seen as a positive signal if there is an increase in firm value. The results Radja & Artini (2020), Jang & Utomo (2021), and Ramadhanty and Sukmaningrum (2020) conclude that the solvency ratio as measured by the Debt to Total Assets Ratio (DAR) has a positive and significant effect on firm value. Based on explanation above, a hypothesis can be formulated the second one is:

H_2: Solvency has a positive effect on firm value.

The effect of firm size on firm value

A large company size indicates that the company has a good growth rate, so investors will provide feedback about company so that the company's value increases. The results of the research conducted by Sondakh (2019), Lambey et al., (2021), Radja & Artini (2020), and Husna & Satria (2019) which show that firm size has a positive and significant effect on firm value. Based on the explanation above, it can be formulated the third hypothesis, namely:

H_3: Firm size has a positive effect on firm value.

Effect of profitability on firm value with stock price as a moderating variable

If a company shows promising profitability now and in the future, investors will invest to buy company shares, increasing share price and company value. Firm value refers daily stock price fluctuations that reflect perceptions of the investors company. The more people buy shares, the higher the company's stock price. The higher the stock price, the higher the value of the company. The rise and fall of stock prices is determined by the company's ability to make a profit. Therefore, there is a positive relationship between stock prices and profitability, where levels of profitability will affect profitability the value of the company. In his research, Idris (2021) found that investors continue to monitor the movement of the market because the increase in stock prices indicates company performance, which means that the value of the company increases. Because the value company reflects the wealth of its shareholders. Based on the explanation above, it can be formulated the fourth hypothesis, namely:

H_4: Stock prices are able to moderate the effect of profitability on firm value.

The effect of solvency on firm value with stock price as a moderating variable

Developing companies will often have high debt levels high, because the company has succeeded in improving its performance through debt, so this will affect the increase in the company's stock price. Positive effect solvency on stock prices is in line with the research of Sholichah et al., (2021) which shows evidence that higher solvency has a positive effect on stock price. In other words, as the company's debt increases, the stock price also increased. It is expected that with additional assets from the sale of shares and liabilities, the company can expand its business and manage its assets properly to generate profits. Further research was carried out by Firdaus and Rohdiyarti (2021) also concluded that companies with high solvency values will face significant financial risks, but they can also potentially generate high returns so that the company will earn investor confidence to invest in the company which will have an

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effect on increasing the value of the company. Based on explanation above, the fifth hypothesis can be formulated, namely:

H_5: Stock prices moderate the effect of solvency on firm value.

The effect of firm size on firm value with stock price as a moderating variable

Large companies are considered a stable condition to attract investors and invest their capital in the company. The bigger the company, the easier it is for companies to obtain additional capital for company external stakeholders. Development from internal and thing this indicates that the company is relatively stable and has the ability to generate higher profits. According to Firdaus (2020) explaining that increase in stock prices not only benefits the company, but also investors who have invested in it. For a company, a higher provides an advantage to improve the company's performance in funding the company's business to generate profits. Therefore, the higher the stock price, the higher the value of the company, which reflects an increase in shareholder wealth share. Based on explanation above, the sixth hypothesis can be formulated, namely:

H_6: Stock prices are able to moderate the effect of firm size on firm value.

II. RESEARCH METHODS

The population in this study is all sector companies consumer goods industry listed on the Indonesia Stock Exchange (IDX) for the 2015-2020 period. A total of 35 companies. The sampling technique used is the purposive sampling with the following company criteria:

1. All consumer goods industrial sector companies listed on the Indonesia Stock Exchange (IDX) in the 2015-2020 period.
2. The company consistently publishes annual reports on the official website of the Indonesia Stock Exchange (IDX) in the 2015-2020 period.
3. Companies that consistently earn profits in the 2015-2020 period. This research is a type of quantitative research with an approach descriptive. In this study, to test the hypothesis using panel data regression analysis and the *Moderated Regression Analysis* (MRA) test using the help of application Eviews 10.

III.RESULTS AND DISCUSSION

Determination of Panel Data Model

Table 1. Chow Test

Effects Test	Statistic	d.f.	Prob.
Cross-section F	19.276370	(25,126)	0.0000
Cross-section Chi-square	245.504017	25	0.0000

Source: Eviews 10 (Data processed by researchers, 2022)

Cross-section Chi-square probability value in table 2 obtained a result of 0.0000 < 0.05. Judging from the results of the Chow test, the result of the decision selection is H1 is accepted so that the panel data regression model chosen in this study is the fixed effect model.

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Table 2. Hausman Test

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	32.717834	4	0.0000

Source: Eviews 10 (Data processed by researchers, 2022)

The probability value in table 3 obtains a result of 0.0000 < 0.05. Judging from these results, the result of the decision selection is H1 is accepted so that the panel data regression model chosen in this study is the fixed effect model.

Panel Data Regression Results

After regression testing with panel data was carried out, the fixed effect model was chosen to be the best model in this study. Therefore, the next regression testing will use fixed effect model. Based on the test results above, the regression model can be obtained as follows:

Table 3. Fixed Effect Model Results

Dependent Variable: PBV
Method: Panel Least Squares
Date: 03/21/22 Time: 09:52
Sample: 2015 2020
Periods included: 6
Cross-sections included: 26
Total panel (balanced) observations: 156

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	5.662543	1.978647	2.861826	0.0049
ROA	0.014473	0.006396	2.262791	0.0254
DAR	0.009290	0.004606	2.017073	0.0458
LN	-0.303592	0.068971	-4.401737	0.0000
HRGSAHAM	0.465269	0.051888	8.966709	0.0000

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.934307	Mean dependent var	1.046666
Adjusted R-squared	0.919187	S.D. dependent var	1.038140
S.E. of regression	0.295118	Akaike info criterion	0.568157
Sum squared resid	10.97391	Schwarz criterion	1.154668
Log likelihood	-14.31624	Hannan-Quinn criter.	0.806372
F-statistic	61.79368	Durbin-Watson stat	1.582889
Prob(F-statistic)	0.000000		

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Source: Eviews 10 (Data processed by researchers, 2022)

Coefficient of Determination Test

Based on the results of table 4 above, it is obtained that the adjusted R-squared value 0.919 or 91.90%, which means the contribution of the independent variables which include the solvency, and firm size variables to firm value. While the remaining 8.10% is influenced by other variables not included in this study.

Simultaneous Significance Test (F-Test)

Based on the results in table 4 above, it is obtained that the probability value of The statistic is 0.000000 < 0.05, which means that it can be concluded that there simultaneousinfluence of independent variables including profitability, solvency and firm size on firm value.

Partial Significance Test (T-Test)

1. The effect of profitability on firm value.

Based on the results from table 3 above, it shows that the probability value of ROA is 0.025 < 0.05, which means that profitability has a significant effect on the value of the company. Then for the coefficient value of 0.014473 which is positive. Thus it can be concluded that H1 is accepted which means profitability has a positive and significant effect on firm value. where is getting higher the ROA, the better the company's performance. value ROA impact on increasing the welfare of the company's shareholders so that it will encourage investors interest in investing in the company, this will increase the value of the company. The results in this study are in line with the research of Ramadhanty & Sukmaningrum (2020), Widyastuti (2019), Husna & Satria (2019), Firdaus & Rohdiyarti (2019) stated that Return on Assets (ROA) had a Zuhrohsignificant positive effect on firm value.

2. The effect of solvency on firm value.

Based on the results from table 3 above, it shows that the probability value of DAR is 0.0458 < 0.05, which means that solvency has a significant effect on the value of the company. Then for the coefficient value of 0.009290 which is positive. Thus it can be concluded that H2 is accepted which means solvency has a positive and significant effect on firm value. Ability company management in managing its debt effectively will increase value of the company so as to be able to gain investor confidence to invest capital in the company. Debt can be seen as a positive signal if there isincrease in the value of the company. Companies with high solvency values will face significant financial risks, but they can also potentially generate high returns. The results in this study are in line with Radja & Artini (2020), Jang & Utomo (2021), and Ramadhanty and Sukmaningrum (2020).

3. The effect of firm size on firm value.

Based on the results from table 3 above shows that the probability value firm size is 0.0000 <0.05, which means that firm size hassignificant effect on firm value. Then for the coefficient value of -0.303592 which is negative. Thus it can be concluded that H3 is rejected which means that the size of the company has a negative and significant effect on the value of the company. In other words, the bigger the company, the lower the value of the company. This means that if the size of the company is reflected in the total assets of the company too large, it will be seen as a negative signal for investors and will reduce firm value. This is because investors believe that companies with large total assets tend to set higher retained earnings than dividends paid to shareholders. The results in this study are in line with those of Zuhroh (2019) and Septyanto & Nugraha (2021).

Moderated Regression Analysis (MRA) Test

The following are the results of the Moderated Regression Analysis (MRA) test which tests the Stock Price in moderating the independent variables which include Profitability, Solvency, and Firm Size:

1. Effect of Profitability on Firm Value with Stock Price as Moderating Variable

Table 4. Profitabillity Moderation Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-2.599778	0.420844	-6.177530	0.0000
ROA	0.014531	0.006763	2.148564	0.0336
HRGSAHAM	0.414235	0.053914	7.683248	0.0000
ROA_HRGSAHAM	0.001155	0.000565	2.043524	0.0431

Source: Eviews 10 (Data processed by researchers, 2022)

Based on the results in table 5 above, it shows that the moderating probability value is 0.0431 < 0.5, which means that the stock price is able to moderate the relationship between profitability as proxied by Return on Assets (ROA) to firm value. Then for the regression coefficient value of 0.001155 which is positive. Thus it can be concluded that H4 is accepted. Firm value refers to daily stock price fluctuations that reflect investors' perceptions of the company. The more people buy shares, the higher the company's stock price. The higher the stock price, the higher the value of the company. The rise and fall of stock prices is determined by the company's ability to generate profits. Where the level of high and low profitability will affect the value of the company's voice. Therefore, there is a positive relationship between stock prices and profitability.

2. The Effect of Solvency on Firm Value with Stock Price as Moderating Variable

Table 5. Solvency Moderation Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-2.808163	0.479970	-5.850705	0.0000
DAR	0.006883	0.004912	1.401153	0.1636
HRGSAHAM	0.428736	0.054746	7.831393	0.0000
DAR_HRGSAHAM	0.001371	0.000597	2.294290	0.0234

Source: Eviews 10 (Data processed by researchers, 2022)

Based on the results in table 6 above, it shows that the moderating probability

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value is 0.0234 < 0.5, which means that the stock price is able to moderate the relationship between solvency as proxied by the Debt to Total Assets Ratio (DAR) to firm value. Then for the regression coefficient value of 0.001371 which is positive. Thus it can be concluded that H5 is accepted. Companies that are developing will often have high levels of debt, because the company has succeeded in improving its performance through debt, so this will affect the increase in the company's stock price. In other words, as the company's debt increases, the share price also increases. It is hoped that with the additional assets from the sale of shares and liabilities, the company can develop its business and manage its assets properly to generate profits.

3. The Effect of Firm Size on Firm Value with Stock Price as Moderating Variable

Table 6. Firm Size Moderation Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-18.09301	6.359326	-2.845115	0.0052
LN	0.523672	0.218212	2.399827	0.0179
HRGSAHAM	3.480165	0.747249	4.657301	0.0000
LN_HRGSAHAM	-0.102060	0.025378	-4.021590	0.0001

Source: Eviews 10 (Data processed by researchers, 2022)

Based on the results in table 6 above, it shows that the moderating probability value is 0.0001 < 0.5, which means that the stock price is able to moderate the relationship between firm size and firm value. Then for the regression coefficient value of -0.102060 which is negative. Thus it can be concluded that H6 is accepted. Large companies are considered as stable conditions so that they will attract investors to invest their capital in the company. Companies with large total assets mean that they have more assets than companies with low total assets. The bigger the company, the easier it is for the company to get additional capital for company development from both internal and external stakeholders. The higher the profit earned by a company will reflect the company's good performance so that the higher the investor's confidence in the company and will affect the increase in the company's stock price. For a company, a higher share price provides an advantage to improve the company's performance in funding the company's business to generate profits. Therefore, the higher the stock price, the bigger the company so that the value of the company will also increase.

IV. CONCLUSIONS AND RECOMMENDATIONS

Conclusion

Based on the results of testing the effect of profitability, solvency, and firm size on firm value in the consumer goods industry sector listed on the Indonesia Stock Exchange (IDX) in 2015-2020 it can be concluded as follows:

1. Profitability has a positive and significant impact on firm value in the consumer goods industry sector listed on the Indonesia Stock Exchange (IDX) for the 2015-2020 period.

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2. Solvency has a positive and significant impact on firm value in the consumer goods industry sector listed on the Indonesia Stock Exchange (IDX) for the 2015-2020 period.
3. Company size has a negative and significant effect on company value in the consumer goods industry sector listed on the Indonesia Stock Exchange (IDX) for the 2015-2020 period.
4. Stock prices are able to moderate the relationship between profitability and firm value in the consumer goods industry sector listed on the Indonesia Stock Exchange (IDX) for the 2015-2020 period.
5. Stock prices are able to moderate the relationship between solvency and firm value in the consumer goods industry sector listed on the Indonesia Stock Exchange (IDX) for the 2015-2020 period.
6. **S**tock prices are able to moderate the relationship between firm size and firm value in the consumer goods industry sector listed on the Indonesia Stock Exchange (IDX) for the 2015-2020 period.

Suggestion

1. Before making an investment, investors are expected to pay attention to ROA, DAR, company size, and stock price which have a significant influence on the value of the company.
2. The company management must pay more attention to ROA, DAR, company size, and stock prices which have a significant influence on company value.
3. Using other measurement indicators in measuring firm value variables, for example by using Tobin's Q. In addition, adding other variables to support research from ratios that are not included in this study, for example by adding liquidity and activity ratios in further research. As well as other variables besides financial ratios, such as the company's Corporate Social Responsibility (CSR) activities, Good Corporate Governance (GCG), and others.
4. Re-test with other moderating variables that can affect the relationship between profitability, solvency, and firm size on firm value

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