

## The Influence Of Return On Assets, Earnings Per Share And Debt To Assets Ratio On Stock Prices In Lq 45 Companies Listed On The Indonesian Stock Exchange

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Article Info	Abstract
Received Jan 14, 2024 Revised Jan 25, 2024 Published Feb 10, 2024	<i>This research aims to determine, for the years 2018–2022, how ROA, EPS, and the debt-to-assets ratio relate to the stock prices of 45 businesses traded on the Indonesia Stock Exchange. Stock prices are used as the dependent variable in this study, while debt-to-assets ratio, return on assets, and earnings per share are used as the independent factors. For the years 2018–2022, 45 LQ-listed firms on the Indonesia Stock Exchange will make up the population. Procedures for data collection in research projects using the documentation approach. On the other hand, purposive sampling is the technique used to pick the samples. Out of a total of 18 businesses, 90 were included in the research cohort. The multiple linear regression analysis approach was used to analyze the data. By running the prior regression through the standard assumption test, we were able to extract the BLUE (Best Linear Unbiased Estimate) data. Hypothesis testing has shown that ROA has a statistically significant negative effect. While Earnings per Share has a small but beneficial effect, the Debt to Assets Ratio has a tiny but negative effect.”</i>
<b>Keywords :</b> <i>Stock price, ROA, EPS, DAR.</i>	

### INTRODUCTION

Currently, Indonesia's economic condition has not fully recovered, this is due to the prolonged Covid-19 pandemic. The Indonesian economic sector cannot be separated from the role of companies. In line with the role of Indonesia's economic conditions, companies require large amounts of capital for the company's survival. Capital markets, according to Bulutoding et al. (2018), is a place for both long-term and short-term investments, and also offers a cheaper alternative way to raise funds. As an investment commodity, public company shares are categorized as high risk because of their high sensitivity to external and internal changes in the political,

economic and monetary fields. An increase in stock prices may result from these adjustments, or a decrease in stock prices may result from these adjustments.

Adnyana and Lambang (2021) state that a company or what is usually called an issuer is a legal entity that issues securities in the form of shares. A characteristic of a stock is its share price, which investors use as a guide when choosing which shares to buy. The share price is the amount that investors must pay to buy company shares. Share price is another indicator of company value (Tanujaya and Purnama, 2022). High demand and supply of shares will result in an increase in share prices. Apart from affecting the profits obtained by investors, high share prices also have an impact on the company's reputation which can be a signal for potential investors in making investment decisions. There is a lot of volatility and impermanence in stock values. Debt to asset ratio (DAR), EPS, and ROA affect stock prices.

ROA is the main factor influencing stock prices, according to research. ROA can indicate investment demand (Bulutoding et al., 2018). These statistics provide a quantitative basis for making investment decisions. A company's return on assets increases with its Return on Assets. High Return on Assets encourages investors to buy company shares. Adnyana and Lambang (2021) say that return on assets greatly influences stock prices, but Ani et al. (2018) say that return on assets has a small influence.

Data shows that EPS is the second factor that influences share prices. According to Saputra (2020), EPS measures the profits or returns of investors or shareholders. Increased Earnings per Share (EPS) can improve a company's reputation and help shareholders by increasing profits. A high earnings per share figure is another indicator that the business is worth investing in for potential investors. According to Suryana and Widjaja's (2019) research, earnings per share significantly influence stock prices positively, but Abudanti and Rahmadewi's (2018) research indicates that earnings per share significantly influence stock prices negatively.

The third factor that influences share prices is DAR. Andhani (2019) defines the Debt to Assets Ratio (DAR) as a ratio that measures a company's debt funding and the ability to pay it with assets owned or controlled. Total assets minus short-term and long-term debt equals DAR. The research results of Putra et al. Supriyadi and Sunarmi (2018) found that the Debt to Assets Ratio had a positive effect on stock prices, while Ika and Suliati (2020) found that the Debt to Assets Ratio had a negative effect on stock prices.

LQ 45 companies on the IDX in 2018-2022 are the subject of research that has been carried out. The issuers that make up the LQ 45 index are very liquid companies that have been selected based on several factors, including market capitalization in addition to liquidity evaluation (Alqibtian and Zuliana, 2021). The LQ 45 company was chosen as a research subject because investors often choose to invest in it because of its strong development level category. LQ 45 company share price data for 2018-2022 is shown below.

## METHODS

This research examines the regression equation for consistency, impartiality, and accuracy using classical assumption tests. All 45 companies listed on the Indonesia Stock Exchange were the samples in this research. Books, archives, written numerical documentation, and photographs in reports and other materials are consulted to obtain information and data using documentation as a data collection strategy, with a focus on purposeful sampling.

The data used for documentation purposes comes from the following sources: companies that are constantly included in the LQ 45 index from 2018

to 2022; closing stock, ROA, EPS, and debt to asset ratio. The Indonesia Stock Exchange (BEI) website provides secondary sources for stock prices, ROA, EPS, and debt to asset ratio.

This research uses multiple linear analysis to evaluate the relationship between share price, ROA, EPS, and debt to asset ratio for 45 companies listed on the Indonesia Stock Exchange. Statisticians describe data using mean, standard deviation, variance, sum, range, kurtosis, and skewness.

## RESULTS AND DISCUSSION

### Statistical Description

The dependent variable of the research is stock price. This research uses ROA, EPS, and DAR as independent variables. This research uses purposive sampling, which selects people based on predetermined criteria. Data was obtained from 45 companies on the LQ 45 index of the Indonesian Stock Exchange from 2018 to 2022. Financial report data from twenty companies was incomplete in terms of variable measurement, and seven of these companies were outliers; therefore, the final research sample consisted of 18 companies. Table V.1 below displays the results of sample determination as follows:

Outlier data is an example of data that stands out from the rest because of its unique properties, which can manifest as very high or low values for individual variables or sets of variables (Ghozali, 2018). Gudono (2017) states that sample data that is considered outliers can be removed using two methods.

1. Using *z-scores* : “ A sample is considered an outlier if its *z-score* value is higher than 3. ”
2. Using *bloxplot* : " data that is located between the *inner fence* and the outer fence *deserves* to be considered as outliers. Data that is outside ( *outer fence* ) should be highly suspected as *outliers* . ”

**Table 1. Sample Selection**

Criteria	Amount
LQ 45 company on the IDX for the 2018-2022 period	45
Companies that do not have equipment data about financial reports related to variable measurement	(20)
<i>Outlier</i> data	(7)
Final sample size for the companies studied	18
Number of observations for the 2018-2022 observation year ( 5 years x 18 companies)	90

Source: Processed data, 2023.

How to identify *outliers* can be seen from the *boxplot display* by using the *analyze – descriptive statistics – explore* menu and then deleting data indicated as *outliers* .

The descriptive statistics of this research data are reasonable considering the number of company observations. Descriptive statistics can show the highest and lowest values, average (mean), and standard deviation of Return on Assets, Earnings per Share, and Debt to Assets Ratio from 2018 to 2022. Table V.2 shows the results of descriptive analysis of variables study:

**Table 2. Descriptive Statistics of Research Variables**

	N	Minimum	Maximum	Mean	Std. Deviation
ROA	90	0.00	0.28	0.0588	0.05802
EPS	90	-6.64	1159.00	276.8445	292.18750
DAR	90	0.01	0.89	0.5203	0.25389
Valid N (listwise)	90				

Source: Processed secondary data, 2023

The profitability variable, for a total of 90 observations, ranges from 0.00% to 0.28%, with a mean of 0.0588% and a standard deviation of 0.05802% for the level of data dispersion during the study period, as shown in Table V. 2. With a difference of 0.00078% between the standard deviation and the average value, the profitability variable shows a high level of data volatility.

Earnings per Share has a minimum value of -6.64, a maximum value of 1,159, an average of 276.84, and a standard deviation of 292.18. The standard deviation of Earnings per Share is lower than the average (Rp. -15.34), indicating data variability.

The smallest Debt to Asset Ratio value is 0.01%, the maximum is 0.89%, the average is 0.5203%, and the standard deviation is 0.2538%. With a difference of 0.26641% between the standard deviation and the average value, the Debt to Asset Ratio variable has a high level of data variance.

**Classic assumption test**

Testing the feasibility of a research regression model is the goal of traditional assumption testing. In order for the regression model to be BLUE (Best Linear Unbiased Estimate), or the best linear equation without bias, classical assumption testing is required. The characteristics of normality, multicollinearity, autocorrelation and heteroscedasticity in this classic assumption test are explained as follows:

1. Normality test

Ghozali (2018) states that the normality test determines whether in the regression model, the residual or confounding variables are normally distributed. This is important because the t and f tests assume a normal residual distribution. This assumption must be held for statistical tests to be valid when dealing with small sample sizes. To determine whether the residuals are normal or not, one can use the non-parametric Kolmogorov-Smirnov (KS) test. Create a working hypothesis like this to run the KS test:

$H_0$  : " Residual data is normally distributed "

$H_a$  : " Residual data is not normally distributed "

Residuals are considered to be normally distributed if the value is asymp. Sig > 0.05, and not if asymp < 0.05 (Ghozali, 2018). Table V.3 below shows the findings obtained from the normality test carried out before applying the Cochrane Orcutt technique in this study:

a. Normality Test Results Before the *Cochrane Orcutt Method*

**Table 3. Normality Test Results Before the *Cochrane Orcutt Method***

<i>Kolmogorov-Smirnov Z</i>	0 .0 80
<i>Asymp. Sig. (2-tailed)</i>	0 ,200

*Source: Processed data, 2023*

a. Test distribution is Normal

Table V.3 shows the distribution of the Kolmogorov Smirnov normality test which is not normal. Because the 2-tailed significance (Sig.) is greater than 0.05 or 0.200,  $H_0$  is accepted, which indicates the normal distribution of the regression model data.

Table V.4 describes the results of the Cochrane-Orcutt normality test in this study:

b. Normality Test Results After the *Cochrane Orcutt Method*

**Table 4. Normality Test Results After the *Cochrane Orcutt Method***

<i>Kolmogorov-Smirnov Z</i>	0 .0 93
<i>Asymp. Sig. (2-tailed)</i>	0 ,056

*Source: Processed data, 2023*

The Kolmogorov Smirnov normality test has an asymptotic distribution, as seen in Table V.4 above. Because the 2-tailed significance (Sig.) is more than 0.05 (ie 0.056),  $H_0$  is accepted, which indicates that the data distribution for the regression model used is normal.

2. Autocorrelation Test

The autocorrelation test in the linear regression model is used to find out whether the residual error (disturbing) in period  $t$  is related to the error in the error in period  $t-1$  (previous), according to Ghozali (2018). When two variables are correlated, there is an autocorrelation problem. Autocorrelation occurs when several observations taken at different points in time are related to each other.

One way to find out whether there is autocorrelation is to use the Durbin-Watson test. According to Ghozali (2018), the Durbin-Watson test can only be used to test first order autocorrelation because it requires a constant intercept. Decisions in the autocorrelation test are based on the Durbin-Watson (DW) test, according to Ghozali (2018):

**Table 5. Autocorrelation Test Decision Making**

Hypothesis zero	Decision	If
There is no autocorrelation positive	Reject	$0 < d < d_l$
There is no autocorrelation positive	Non-decision	$d_l \leq d \leq d_u$
There is no autocorrelation negative	Reject	$4 - d_l < d < 4$
There is no autocorrelation negative	Non-decision	$4 - d_u \leq d \leq 4 - d_l$
There is no autocorrelation , positive or negative	Not rejected	$d_u < d < 4 - d_u$

Source: Ghozali, 2018.

The results of the autocorrelation test can be seen in Table V.6 as follows:

a. Autocorrelation Test Results Before the *Cochrane Orcutt Method*

**Table 6. Autocorrelation Test Results Before the *Cochrane Orcutt Method***

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.713 <sup>a</sup>	0.508	0.491	1844,046	0.758

Source: Processed data, 2023

Three independent variables ( $k$ ) and ninety samples ( $N$ ) produce a Durbin-Watson value of 0.758, as shown in Table V.6. At the 5% significance level, the  $d_U$  value is 1.7153 and the  $d_L$  value is 1.5600, as seen in the Durbin-Watson table. Based on the data obtained, if  $0 < d < d_L$ , the hypothesis  $H_0$  is positive autocorrelation; Thus,  $0 < 0.758 < 1.5600$ , rejecting decision making in the autocorrelation test.

These results do not meet the requirements for no autocorrelation because the value is  $1.7153 > 0.758 < 4 - 1.7153$  not in accordance with  $d_U < d_W < 4 - d_U$ , positive autocorrelation from this study and the fact that the  $d_U - 1.7153 > 0.758$  value. The 0.758-higher  $d_W$  value supports this conclusion. Ghozali (2018) stated that the Cochrane Orcutt approach should be applied to convert data to overcome autocorrelation if there are problems with this in the regression model. Following are the steps to follow:

- 1) To find the residual value (Res1), run the Ordinary Least Squares (OLS) regression test.

- 2) The residual variable (Res1) with the name (Ut\_) must then undergo a lag transformation.
- 3) Use regression analysis to get the rho coefficient value by substituting the calculation results of Ut\_1 for the independent variable and Res1 for the dependent variable.

**Table 7. Autocorrelation Coefficient Results**

Model		Unstandardized Coefficients	
		B	Std. Error
1	(Constant)	-2,889	152,480
	LAG_RES	0.621	0.084

Source: Processed data, 2023

The rho coefficient value, namely 0.621 according to Table V.7, can be seen in the beta value of LagRes1. Next, apply the following procedure to each variable to perform the Cochrane Orcutt transformation:

- a)  $LAG\_Y = SP - (0.621 * Lag( SP ))$
- b)  $LAG\_X1 = ROA - (0, 621 * Lag(ROA))$
- c)  $LAG\_X2 = EPS - (0, 621 * Lag( EPS ))$
- d)  $LAG\_X3 = DAR - (0, 621 * Lag(DAR))$

- 4) To get the residual value, do the regression again using new variables resulting from data transformation after the independent and dependent variables have been transformed. Durbin Watson test was run with residual findings.

b. Autocorrelation Test Results After the *Cochrane Orcutt Method*

**Table 8. Autocorrelation Test Results After the *Cochrane Orcutt Method***

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.629 <sup>a</sup>	0.396	0.375	1408.85079	1.845

Source: Processed data, 2023

Durbin Watson does not detect autocorrelation if the dW value is less than or equal to 4 minus dU. Based on Table V.8, the data processing results show a value of  $1.7264 < 1.845 < 4 - 1.7264$  to  $1.7264 < 1.845 < 2.2736$ , indicating that there is no autocorrelation in the regression model used in this research.

3. Multicollinearity Test

To find out whether the regression model found a relationship between independent variables or independent variables, a multicollinearity test was carried out (Ghozali, 2018). If the regression model finds a relationship between the independent variables, then multicollinearity is not functioning as it should. This symptom can be identified by looking at the Tolerance Variance Inflation Factor (VIF) value. A measure of the variability of an independent variable that cannot be explained by other

independent variables is tolerance. A high VIF value indicates a low tolerance number because  $VIF = 1/Tolerance$ . One of the general criteria for detecting multicollinearity is a Tolerance value below 0.10 which is the same as a VIF value above 10. According to Ghozali

(2018), the absence of multicollinearity is indicated by a tolerance value of more than 0.10 or a VIF value lower than 10 .

The results of the multicollinearity test before using the Cochran Orcutt approach are presented in Table V.9 below:

a. Multicollinearity Test Results Prior to the *Cochrane Orcutt Method*

**Table 9. Multicollinearity Test Results Before the Cochran Orcutt Method**

Variable	Tolerance	VIF	Information
ROA	0.618	1,618	Not occur multicollinearity
EPS	0.808	1,238	Not occur multicollinearity
DAR	0.554	1,804	Not occur multicollinearity

Source: Processed data, 2023

As can be seen from the test findings in Table V.9, none of the independent variables in this study showed any symptoms of multicollinearity. It is clear that the VIF value is 10, and the tolerance level for all variables is less than 0.10.

Table V.10 below shows the results of the Cochran-Orcutt multicollinearity test:

b. Multicollinearity Test Results After the *Cochrane Orcutt Method*

**Table 10. Multicollinearity Test Results After the Cochran Orcutt Method**

Variable	Tolerance	VIF	Information
ROA	0.851	1,175	Multicollinearity did not occur
EPS	0.865	1,157	Multicollinearity did not occur
DAR	0.846	1,181	Multicollinearity did not occur

Source: Processed data, 2023

The test findings in Table V.10 above show that there is no multicollinearity for each independent variable in this study. It is proven that each variable has a tolerance value of  $> 0.10$  and a VIF value of  $< 10$ .

4. Heteroscedasticity Test

Ghozali (2018) stated that the heteroscedasticity test is used to find out whether the residuals from one observer are not the same in the regression model. The absence of heteroscedasticity in the variables of a regression model indicates high quality. There is a high prevalence of heteroscedasticity in cross-sectional data because this data includes samples of different sizes.

The Glejser test is used to screen for heteroscedasticity. The Glejser test is carried out by comparing the residual value of the independent variable with its absolute value. Heteroscedasticity can be stated to exist if the significance level is less than 0.05, and the absence of heteroscedasticity can be stated if the significance level is more than 0.05. Table V.11 below displays the results of the heteroscedasticity test for this regression model:

a. Heteroscedasticity Test Results Before the *Cochrane Orcutt Method*



**Table 11. Heteroscedasticity Test Results Before the *Cochrane Orcutt Method***

Variable	Sig	Information
ROA	0,266	Heteroscedasticity does not occur
EPS	0,492	Heteroscedasticity does not occur
DAR	0.308	Heteroscedasticity does not occur

Source: Processed data, 2023

Each independent variable in Table V.11 above has a significance value greater than 0.05. Thus, it can be said that heteroscedasticity did not occur in this research.

The results of the heteroscedasticity test after the *Cochrane Orcutt method* can be seen in Table V.12 below:

b. Heteroscedasticity Test Results After the *Cochrane Orcutt Method*

**Table 12. Heteroscedasticity Test Results After the *Cochrane Orcutt Method***

Variable	Sig	Information
ROA	0.075	Not occur heteroscedasticity
EPS	0.274	Not occur heteroscedasticity
DAR	0.253	Not occur heteroscedasticity

Source: Processed data, 2023

The significant values of all independent variables are greater than 0.05, as shown in Table V.12 above. Thus, it can be concluded that this research does not show heteroscedasticity.

**A. Hypothesis Test Results**

The purpose of this partial test, also known as the t test, is to find out whether this hypothesis is accepted or not. Ghozali (2018) states that the partial test (t test) can be used to show how far the influence of an independent variable (or a set of independent variables) is in explaining variations in the dependent variable. Table V.13 displays the test results as follows:

**Table 12. Hypothesis Test Results**

Variable	B	Sig	Decision
(Constant)	969,834	0.001	-
ROA	-3474,650	0.334	H <sub>1</sub> Rejected
EPS	4,879	0,000	H <sub>2</sub> Accepted
DAR	-18,214	0.986	H <sub>3</sub> Rejected

Source: Processed data, 2023

This can be explained as follows based on the test findings shown in Table V.13:

1. Hypothesis Test Results 1

First hypothesis: LQ 45 companies listed on the Indonesian Stock Exchange will experience quite large share price growth from 2018 to 2022 due to Return on Assets. Based on the test results in Table V.13, the Return on Assets regression coefficient value is -3474.650 and the significance

value is  $0.334 > 0.05$ . Based on the research results, the share prices of companies listed on the Indonesia Stock Exchange are negatively and insignificantly influenced by Return on Assets from 2018 to 2022. This means that the null hypothesis cannot be accepted.

## 2. Hypothesis Test Results 2

The second hypothesis states that company value will likely increase substantially between 2018 and 2021 as a result of earnings per share. The regression coefficient value of Earning per Share is 4.879 and has a significant value of  $0.000 < 0.05$ , according to the test results in Table V.13. This indicates that from 2018 to 2022, the share price of the LQ 45 company listed on the Indonesian Stock Exchange was significantly influenced by Earnings per Share. Thus, we accept (test) hypothesis two.

## 3. Hypothesis Test Results 3

Based on hypothesis three, there is a possibility that, for 2018-2022, Limited stock traded on the Indonesian Stock Exchange will experience a decline in share value due to the high debt to asset ratio. Based on the test results in Table V.13, the regression coefficient for the Debt to Asset Ratio is -18.214 with a significance value of  $0.986 > 0.05$ . Thus, for LQ 45 companies traded on the Indonesia Stock Exchange between 2018 and 2022, the debt to asset ratio has a negative but insignificant impact on share prices. Therefore, the third hypothesis is not proven (rejected).

The equation obtained from the regression coefficient value ( $\beta$ ) in Table V.13 is as follows:

$$Y = 969,834 - 3474,650 \text{ ROA} + 4,879 \text{ EPS} - 18,214 \text{ DAR} + \alpha$$

It means:

1. The constant of 969,834 shows that return on assets ( $X_1$ ), earnings per share ( $X_2$ ), and debt to asset ratio ( $X_3$ ) are three independent variables that do not change. Therefore, the bond yield ( $Y$ ) has a constant value of 969,834.
2. The value -3474,650 for the Return on Assets ( $X_1$ ) regression coefficient means that for every one point increase in  $X_1$ , the share value ( $Y$ ) will decrease by 3474,650.
3. The coefficient of determination value from the regression of earnings per share ( $X_2$ ) is 4,879, indicating that the share price ( $Y$ ) will increase by 4,879 for every one point increase in earnings per share ( $X_2$ ).
4. has a regression coefficient of -18.214, indicating that the price of gold ( $Y$ ) will fall by 18.214 for every one point increase in the interest rate  $X$ .

Based on the regression equation above, Earnings per Share ( $X_2$ ) has the largest regression coefficient ( $\beta$ ), namely 4.879 when compared to other components, so it is the most dominant factor in determining share prices ( $Y$ ).

## B. Determination of Coefficient

The coefficient of determination test ( $R^2$ ) basically determines how well a model explains the volatility of the dependent variable. The coefficient of determination operates in the range 0 to 1. The potential of the dependent variable is limited if the coefficient value is low. To be able to predict changes in the dependent variable, the independent variable must provide almost all the data, which is indicated by a value close to one (Ghozali, 2018). Due to the multi-variable regression analysis used in this study, the adjusted R-squared value allows one to evaluate the relative importance of the independent and

dependent variables. The following is a display of the determination test results in Table V.14:

**Table 13. Coefficient Determination Test Results**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,629 <sup>a</sup>	,396	,375	1408.85079

Source: Processed data, 2023

Based on estimates from the determination test, the independent variables in this regression are only able to explain 37.5% of the explanation of the dependent variable (62.5% extrapolated from sources outside this research model), as shown by the Adjusted R2 value of 0.375 .

### C. Discussion of Hypothesis Results

This makes sense when viewed from the previously reported hypothesis test findings:

1. The Effect of Return on Assets on the Share Prices of LQ 45 Companies Listed in 2018-2022 on the Indonesian Stock Exchange

The results of the first hypothesis test show that return on assets does not have a significant effect on stock prices, even though it is small. This means that the share price of the LQ 45 company will rise even though the Return on Assets falls slightly. Or vice versa, every time an increase in *Return on Assets* in an LQ 45 company results in a decrease in the share price, although it is not significant. So, when a company has large assets but they are idle or it could be said that these assets are not used effectively, this can cause a decline in share prices. Because investors may think that a company cannot optimize the resources it has, such as cash which should be used for investment or activities that can increase the value of the company but are only left unattended, resulting in losses. This is different from the research of Adnyana and Lambung (2021), Rarindra and Saputra (2020), Bulutoding, et al (2018), which states that Return on Assets has a significant positive influence on stock prices.

2. Impact of Earnings per Share on Share Prices of LQ 45 Companies Listed on the Indonesian Stock Exchange, 2018-2022

Earnings per share have a positive and statistically significant influence on share prices, based on the second hypothesis test. Assuming all other things remain the same, this means the share price will rise for every 1 dollar increase. According to this interpretation, stock prices can rise or fall based on earnings per share. Typically, financial managers and investors pay close attention to earnings per share. Because investors will get more profits from their investments when the company has higher earnings per share, an increase in earnings per share can benefit the company by increasing its share price in the market (Mursidah, 2011). Findings from

research indicating a positive and statistically significant relationship between earnings per share and share price have been reported by many researchers (Adnyana and Lambung 2021, Rarindra and Saputra 2020, Suryana and Widjaja 2019, Supriyadi and Sunarmi 2018).

3. The influence of the debt to asset ratio on the share price of LQ 45 companies listed on the Indonesia Stock Exchange

The results of the third hypothesis test show that there is a small but negative relationship between the Debt to Assets Ratio and stock prices. Supriyadi and Sunarmi (2018) stated that the Debt to Assets Ratio describes the extent to which a company's funding comes from debt compared to its assets. This means investors are looking for better returns, and taking on more debt means taking on more risk. Financial market investors will react badly to this. In circumstances like this, share prices in the capital market will fall, but not significantly, as a result of this negative response, which indicates a decrease in the volume of demand for share prices and the amount of debt the company has. The research findings of Ika and Suliati (2020) which indicate that the Debt to Assets Ratio significantly reduces share value do not support this.

## **CONCLUSION**

Based on the data provided, we can draw the following conclusions:

1. The Return on Assets variable has a small but not significant influence on stock prices. This means that share prices will rise regardless of what happens to Return on Assets.
2. The share value is greatly influenced by the Profit per Share variable. This means that an increase in share prices is likely to occur if there is high earnings per share.
3. The variable representing the Debt to Asset Ratio has a negligible and negative impact on stock prices. Therefore, it seems likely that a high debt-to-asset ratio will cause a modest, but noticeable, decline in stock prices.

## **SUGGESTION**

The results of this study allow the researchers to provide the following suggestions:

1. One suggestion is to continue digging and looking at other things that can influence share prices such as debt to equity ratio, current ratio, net profit margin, and others independently and with moderating variables.
2. Because a small sample size is very likely to have an impact on research results, future research should add more research years to increase the number of research samples.

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