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THE ANALYSIS OF FINANCIAL RATIOS EFFECT ON THE STOCK PRICE OF CONSUMER GOODS SECTOR COMPANIES LISTED IN KOMPAS100 INDEX

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Abstract. *This research aims to discern the effect of financial ratios on the stock price of Consumer Goods Industry Sector Companies listed in Kompas 100 Index on 2013-2019 period, partially or simultaneously. The financial ratios analyzed in this research are: Current Ratio (CR), Net Profit Margin (NPM), Return on Equity (ROE) and Dividend Yield (DY). The research population is the Consumer Goods Industry Sector Companies listed in Kompas 100 Index on 2013-2019 period. There are 5 Consumer Goods Industry companies used as the research sample by applying the purposive sampling method. This research uses documentation as the collection data technique as well as a panel data as the data analysis technique. This research shows that NPM variable has a partially positive relationship on the stock price, ROE has a positive relationship on the stock price at a confidence level of 90 percent, while CR and DY have no effects on stock price. The CR, NPM, ROE and DY variables influence the stock price simultaneously. CR, NOM, ROE and DY variables can explain the stock price on the Consumer Goods Industry Sector companies listed in Kompas 100 Index at 98,38%.*

Keywords: *current ratio (CR), net profit margin (NPM), return on equity (ROE), dividend yield (DY) and stock price.*

INTRODUCTION

        Stock is one of the most favored financial market instruments. Company issues stock as one of the options to finance the company itself. In addition, most investors favor the stock as investment instrument as it is able to generate attractive rate of return. The stock in Consumer Goods Sector is still attractive among investors as it still has significant role in the economy of Indonesia. Consumer Goods Industry Sector is one of the sectors that support various industries in Indonesia. Statistics Indonesia (BPS) reported that the GDP percentage distribution of Consumer Goods Industry on Indonesia's GPD increases annually.

Table 1. Consumer Goods Industry Contribution in Indonesia's GDP

	2013	2014	2015	2016	2017	2018	2019
GDP Distribution	7.66%	7.93%	8.38%	8.71%	8.78%	8.74%	8.97%

Source: BPS

Consumer Goods Industry Sector will also raise up as many infrastructure projects have been completed which eventually enable the distribution of goods goes rapidly. Besides, not only the Consumer Goods products are indeed the essential needs of the households, but also this sector could survive better if compared to other sectors. This sector, for instance, was not affected significantly on Indonesia's economic crisis in 2018.

Table 2. Consumer Goods Sector Stock Index Growth for the 2013-2019 Period

	2013	2014	2015	2016	2017	2018	2019
Indeks JKCONS	1.804,22	2.205,28	2.064,91	2.324,28	2.871,16	2.645,81	2.076,24

Source : www.idx.co.id

Each investor who does stock investment has a same goal which clearly is to gain profit from that investment. One of the key benefits of stock investment is the capital gain resulted when the selling price of an asset exceeds its purchase price. There are various kinds of financial ratios that can be used to measure company performance, including the Liquidity Ratio (Current Ratio), Profitability Ratios (NPM, ROE) and Market Ratios (DY). Investors and company managers need to identify and analyze which ratios have the most influence on stock prices. The results of previous studies show different results regarding the effect of Current Ratio (CR), Net Profit Margin (NPM), Return on Equity (ROE) and Dividend Yield (DY) on stock prices. Based on the description above, the authors are interested in conducting a study entitled "The Analysis of Financial Ratios Effect On The Stock Price Of Consumer Goods Sector Companies Listed In Kompas100 Index".

LITERATURE REVIEW

Signalling Theory. This theory was redeveloped by Ross (1977). He states that a company's executive who has better information regarding the company would be encouraged to convey that information to the investors. One of the information released by the company that can be a signal to other party, specifically the investors, is the annual report. The information stated in the annual report could be an accounting information which is related to financial report and a non-accounting report that has no relation with the financial report.

Efficient Market Hypothesis (EMH) Theory. EMH Theory was declared by Fama in 1970. Fama (1970) specified that the concept of efficient market means that no party will get abnormal return, either individual or institutional investors. In other words, the market price is reflected from the existing information. The efficient market hypothesis can be categorized into three hypotheses such as "weak-form", "semi-strong" and "strong-form". These categories reflect all available information absorbed in the market.

The Bird in the Hand Theory. This theory was first proposed by Myron Gordon (1956) and John Lintner (1962). This theory claims that investors prefer dividends rather than capital gains that are a result of the firm retaining and reinvesting the earnings (Brigham and Houston, 2006). This theory claims that dividend on hand is more certain than "thousands" of capital gain on air. Dividend is way more predictable while capital gain tends to be more speculative as the stock price keeps fluctuating. In this theory, investors prefer to receive dividend as it has more certainty than the capital gain resulted in a lower risk type of investment.

Stock. Stock is a security that represents the equity ownership of an individual or party (business entity) in a corporation or limited liability company. Along with that equity, the party has a claim on a company revenue, company assets and has a right to be present in a General Meeting of Shareholders (GMS).

Stock Price. According to Jogiyanto (2008), stock price occurs in a stock exchange on a specific time and is determined by the market players as well as the stock demand and supply in stock exchange.

Kompas 100 Index. This stock index jointly developed by Indonesia Stock Exchange (ISE) and Indonesia media corporation, Kompas Gramedia Group in 2007 that measures the stock price performance of 100 stocks of public corporations in Indonesia Stock Exchange with relatively high liquidity, large market capitalization and good fundamentals.

Liquidity Ratio. This ratio measures the company's ability to pay its short-term obligations and reflects the company's strength and short-term financial solvency (Sihombing, 2018). The type of Liquidity Ratio used in this research is Current Ratio (CR). Current Ratio measures a company's ability to pay short-term obligations (due within one year) by using current assets (Sihombing, 2018).

$$Current\ Ratio = \frac{Current\ Assets}{Current\ Liabilities}$$

Profitability Ratio. This ratio assesses a company's ability to generate profit (Kasmir, 2011). A high profitability ratio represents a good company's future that triggers the investors to have a higher stock demand. The better the profitability growth of a company represents a better company's prospect in a future by the investors. This research uses a Net Profit Margin (NPM) and Return on Equity (ROE).

Net Profit Margin is a ratio of net profits to revenues for a company. This illustrates how much of the company's ability to generate net profit on a certain revenue level.

$$NPM = \frac{Net\ Profit\ After\ Taxes}{Net\ Sales}$$

Return on Equity is measured by using the relation between net income and shareholder's equity. ROE determines how much profit a company generates relative to its total amount of shareholder equity.

$$ROE = \frac{Net\ Income}{Shareholder's\ Equity}$$

Market Value Ratio. This ratio is used from the investors' perspective (or potential investors). The market value ratio measures the current share price of a company (Sihombing, 2018). This research uses Dividend Yield (DY). Dividend Yield is calculated by dividing the annual dividends paid per share by the price per share. From the investors' perspectives, this ratio is relatively important as it is a part of a total return that they will receive. The other part of return is a capital gain used to describe the profit earned from buying a stock at one price and selling it at a different, higher price.

$$Dividend\ Yield\ = \frac{Annual\ Dividend\ per\ Share}{Current\ share\ price}$$

Previous Research

Sutapa (2018) conducted a research on analysis of Financial Ratio and Performance Effect (Current Ratio, DER, ROE, EPS) on Stock Price Listed in Indonesia Stock Exchange's LQ45 Index in 2015-2016 period. The research result shows that Current Ratio and EPS are partially influenced on the stock price change while DER and ROE do not influence the change in stock price.

Maulana (2016) did a research to analyze the Return on Asset (ROA), Net Profit Margin (NPM), Total Assets Turnover (TATO), with the title of Analysis of Fundamental and Technical Factors to Stock Price on Residential Property Sector Companies Listed in Indonesia Stock Exchange. The research result shows that ROA, NPM and TATO do influence the stock price change partially.

Baramuli (2017) also conducted a research on the analysis of Return on Asset (ROA), Net Profit Margin (NPM), Total Assets Turnover (TATO) effect, with the title of Analysis of Financial Performance Impact on Stock Price in Consumer Goods Industry Sector Companies Listed in ISE 2011-2015. The research result shows that ROE and DER have partial impact on the stock price, while Current Ratio and TATO do not affect the stock price.

Firnanti (2014) had a research on the analysis of Dividend Yield (DY), Dividend Payout Ratio (DPR), Debt to Asset Ratio (DAR), Earnings Volatility with the title of Factors Affecting the Stock Price Volatility on Non-Financial Public Corporations. The research result shows that DY has a positive effect on stock price volatility. Earning Volatility and DAR do not have influence on stock price volatility.

Framework
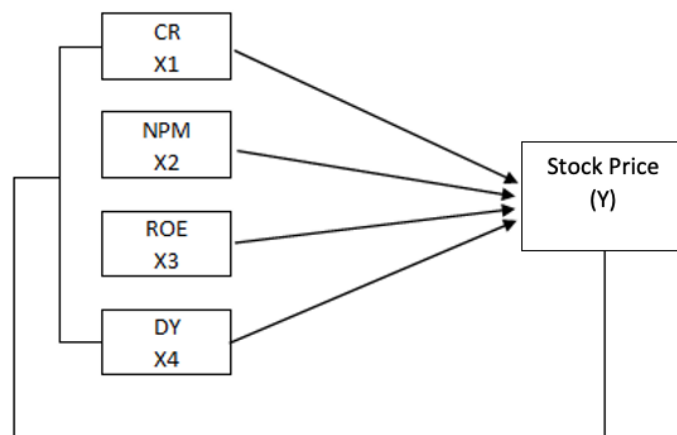
Hypothesis

H1   : Current Ratio (CR) has positive effect on stock price.

H2   : Net Profit Margin (NPM) has positive effect on stock price.

H3   : Return On Equity (ROE) has positive effect on stock price.

H4   : Dividend Yield (DY) has positive effect on stock price.

RESEARCH METHODOLOGY

This research uses a causal research as the researcher requires to prove the effect of the independent variables on the dependent variables by adopting the quantitative research method.

Variable	Definition	Measurement
CR (X1)	A ratio that measures a company's ability to pay short-term obligations (due within one year) by using current assets.	$Current\ Ratio = \dfrac{Current\ Assets}{Current\ Liabilities}$
NPM (X2)	A ratio that illustrates how much of the company's ability to generate net profit on a certain revenue level.	$NPM = \dfrac{Net\ Profit\ After\ Taxes}{Net\ Sales}$
ROE (X3)	A ratio that determines how much profit a company generates relative to its total amount of shareholder equity.	$ROE = \dfrac{Net\ Income}{Shareholder's\ Equity}$
DY (X4)	This ratio is calculated by dividing the annual dividends paid per share by the price per share. This presents how much return the investor will receive.	$DY = \dfrac{Annual\ Dividend\ per\ Share}{Current\ share\ price}$
Stock Price (Y)	Stock price occurs in a stock exchange on a specific time and is determined by the market players as well as the stock demand and supply in that stock exchange.	Closing Price

This research draws secondary data from Indonesia Stock Exchange (ISE) website and other companies' websites with Consumer Goods Sector Companies listed in Indonesia Stock Exchange 2013-2019 as the research object. Sample is obtained from existing population using a purposive sampling as the sample selection methods.

After selecting the samples, modeling, determining the variables used in the research and producing a hypothesis, the next step is to process the data using a regression analysis with panel data. The regression process is applied using the 10th version of Eviews software.

RESULTS AND DISCUSSIONS
Descriptive Statistics.

Table 3. The Descriptive Statistics of Research Variables

	Stock Price	CR	NPM	ROE	DY
Mean	17576	2.062	0.109	0.395	0.028
Median	7625	1.936	0.100	0.185	0.028
Maximum	83800	4.658	0.217	1.400	0.064
Minimum	1250	0.606	0.050	0.075	0.009
Std. Dev.	24194	1.146	0.039	0.461	0.015

Source: Data Results processed using Eviews 10 (2020)

The Descriptive Statistics of Stock Price Variables

Stock price variables have the average of 17.576 on the Consumer Goods Industry companies listed in the KOMPAS 100 Index in 2013-2019. This shows that the average stock price of Consumer Goods Industry listed in KOMPAS 100 Index in 2013-2019 is Rp. 17.576. The maximum stock price of the Consumer Goods Industry in KOMPAS 100 Index 2013-2019 was 83.800 which is PT. Gudang Garam Tbk. (GGRM) in 2017. Meanwhile, the minimum stock price of the Consumer Goods Industry in KOMPAS 100 Index 2013-2019 was 1.250 on PT Kalbe Farma (KLBF) in 2013.

The Descriptive Statistics of CR Variable

The maximum Current Ratio owned by PT. Kalbe Farma Tbk is 4.658 which means that the company has the ability to pay off its short-term libilities compared to other companies, while the minimum Current Ratio is always owned by Unilever Indonesia Tbk, which was 0.606. It means that the company has the ability to payoff the least short-term liabilities compared to other companies.

The Descriptive Statistics of NPM Variable

The average Net Profit Management (NPM) was 0,019 on the Consumer Goods Industry companies listed in KOMPAS 100 2013-2019 which means that the company's ability to generate net profit is 10,98 percent in the average. The bigger the NPM, the bigger the company's net profit gained from that company.

The maximum NPM was 21,7% on PT Unilever Indonesia Tbk. in 2018. The companies experienced a significant increasing on net profit as much as 29,64% from the previous year. While the minimal value of NPM was 5% on *PT. Indofood Sukses Makmur, Tbk,* in 2015. The companies experienced a significant decrease of net profit 26.57 percent from previous year.

The Descriptive Statistics of ROE Variable

The average of Return on Equity (ROE) was 0,395 or 39,5 percent on the Consumer Goods Industry companies listed in KOMPAS 100 Index 2013-2019, which means that the company's ability to generate net profit is 39,5 percent in average from the total equity owned by the company. The positive ROE value indicates that from the total equity used to cover

operational cost coulf generate profit for the companies. ROE is able to identify a company's success in terms of generating profit.

The maximum value of ROE was acquired as much as 1.40 or 140 percent by PT Unilever Indonesisa Tbk. in 2019. The higher the ROE, the better is the assumption on company's performance in terms of managing own equity. Lastly, the minimum value of ROE was 0.075 or 7,5 percent acquired by PT Indofood Sukses Makmur Tbk. in 2013.

The Descriptive Statistics of DY Variable

The average Dividend Yield (DY) was 0.028 of the companies in Consumer Goods Industry listed in KOMPAS 100 Index on 2013-2019 which means that the company's ability in generating profit given from the company to the shareholders was 2,8 percent in average.

The maximum value of DY was 0.064 or 6,4 percent on PT Unilever Indonesia Tbk. in 2013 while the minimum value of DY was 0.009 or 0,9 percent by PT Kalbe Farma Tbk. in 2014.

Selection Method of Panel Data Regression
Chow Test

Chow test is used to determine on which model to be selected on the estimation model of panel data regression, whether the Common Effect or Fixed Effect. This test uses F-Statistics or chi-square with a following hypothesis:

H0: Common Effect Model better than Fixed Effect Model

H1: Fixed Effect Model better than Common Effect Model

If F-test and chi-square are less than $\alpha = 0,05$ (5%), then H0 is rejected and H1 is accepted.

From the chow-test, a probability value of F-test and chi-square is less than $\alpha = 0,05$ (5%), which indicates the rejection of H0 and acceptance of H1, where the Fixed Effect Model is better used in estimating the method of data panel regression compared to the Common Effect Model.

Redundant Fixed Effects Tests
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	224.071476	(4,26)	0.0000
Cross-section Chi-square	124.906555	4	0.0000

Source: data processed using Eviews 10 (2020)

Hausman Test

A Hausman test is applied in order to determine which method panel data regression to be used between Fixed Effect Model or Random Effect Model as estimation.

The hypothesis in Hausman test as follows:

H0: Random Effect Model better than Fixed Effect Model

H1: Fixed Effect Model better than Random Effect Model

If the probability (Prob) of Hausman test Chi-Square is less than $\alpha = 0,05$ (5%), then H0 is rejected and H1 is accepted. Based on the Hausman Test, the probability of Chi-Square is less than $\alpha = 0,05$ (5%), so H0 is rejected which means that Fixed Effect Model is better used to estimate the method of panel data regression compared to Random Effect Model.

Correlated Random Effects - Hausman Test
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	896.285903	4	0.0000

Source: data processed using Eviews 10 (2020)

Lagrange Multiplier Test

The Lagrange Multiplier (LM) test is applied in order to determine which method of panel data regression to be used between Common Effect Model or Random Effect Model as estimation. The hypothesis in LM Test as follows:

H0: Common Effect model better than random effect

H1: Random effect model better than common effect

If LM test > chi-squares or p-value is less than α, then H0 is rejected and H1 is accepted which means that the best estimation method is the Random Effect Model.

Based on the LM-test Breusch-Pagan calculation of 66.61661 and p-value (0.0000) is less than $\alpha = 0,05$ (5%), it is concluded that Random Effect Model is better than the Common Effect Model.

Lagrange Multiplier Tests for Random Effects

| | Test Hypothesis | | |
	Cross-section	Time	Both
Breusch-Pagan	65.20423 (0.0000)	1.412380 (0.2347)	66.61661 (0.0000)

Source: data processed using Eviews 10 (2020)

Model Conclusion

Based on the test results done in pair using Chow test, Hausman test and Lagrange Multiplier test on the method of panel data regression above, it is concluded that the Fixed Effect Model can be implemented to estimate and analyze the factors affecting the stock price in Consumer Goods Industry companies listed in KOMPAS 100 Index 2013-2019.

No	Methods	Tests	Results
1	Chow Test	Common Effects vs Fixed Effect	Fixed Effect
2	Hausman Test	Fixed Effect vs Random Effect	Fixed Effect
3	Lagrange Multiplier Test	Common Effect vs Random Effect	Random Effect

Regression Analysis of Panel Data

F-Test

This test is conducted to determine whether the independent variables affect the dependent variables collectively. Below is the test result using Eviews 10:

R-squared	0.983853	Mean dependent var	3.920886
Adjusted R-squared	0.978885	S.D. dependent var	0.526035
S.E. of regression	0.076439	Akaike info criterion	-2.087623
Sum squared resid	0.151914	Schwarz criterion	-1.687677
Log likelihood	45.53341	Hannan-Quinn criter.	-1.949562
F-statistic	198.0266	Durbin-Watson stat	1.706082
Prob(F-statistic)	0.000000		

Source: data processed using Eviews 10 (2020)

From the F-test results above, the Prob (F-Statistic) value is 0,000000 < 0,05. This means that CR, NPM, ROE and DY variables simultaneously affect the stock price.

Coefficient of Determination (R^2)

Coefficient of Determination (R^2) is the proportion of the variance in the dependent variable that is predictable from the independent variable(s). R^2 normally ranges from 0 to 1 (0 < R < 1). An R^2 of 1 indicates that the regression predictions perfectly fit the data. Followings are the test results using Eviews 10.

R-squared	0.983853	Mean dependent var	3.920886
Adjusted R-squared	0.978885	S.D. dependent var	0.526035
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F-statistic	198.0266	Durbin-Watson stat	1.706082
Prob(F-statistic)	0.000000		

Source: data processed using Eviews 10 (2020)

T-Test

This test tells the how significant the differences between independent and dependent variables partially affect each other. Followings are the test results using Eviews 10.

Variable	Coefficient	Std. Error	t-Statistic	Prob.

C	3.209701	0.243029	13.20704	0.0000
CR	0.064975	0.042895	1.514724	0.1419
NPM	3.273931	1.093726	2.993373	0.0060
ROE	0.706953	0.375509	1.882653	0.0710
DY	-2.153638	1.437914	-1.497752	0.1462

Source: data processed using Eviews 10 (2020)

From the table above:

- The probability of CR (Current Ratio) variable 0.1419 > 0,05 and t-statistic 1.514724, which means that the Current Ratio does not partially affect the stock price variables.
- The probability of NPM (Net Profit Management) variable 0,0060 < 0,05 and t-statistic 2.993373, which means that Net Profit Margin has positive relationship on stock price variables.
- The probability of ROE (Return on Equity) variable 0.0710 > 0,10 and t-statistic 1.882653, which means Return on Equity has positive relationship partially on stock price variables at a confidence level of 90 percent.
- The probability of DY (Dividend Yield) variable 0.1462 > 0,05 and t-statistic 1.497752, which means Current Ratio does not affect partially on stock price variables.

Discussion of Research Result
Current Ratio (CR) Effect on Stock Price

The first hypothesis states that Current Ratio (CR) has positive relationship on stock price of Consumer Goods Industry Sector companies listed in Kompas 100 Index. The test result partially shows that the probability of CR (Current Ratio) variable is 0.1419 > 0,05 and t-statistic is 1.514724, which means that the Current Ratio have partially no relationship on stock price variable.

This indicates that investors could interpret a high company's Current Ratio (CR) in various ways. Some investors will interpret a high Current Ratio (CR) reflects that a company a good liquidity where it is in a good state to fund the company in short-term period. However, several investors have different opinion where a high Current Ratio (CR), in fact, reflects the company's ability to optimize the current assets in such a poor condition. This research has similar result to the previous research conducted by Maulana (2016) and Hayati (2019) which stated that Net Profit Margin (NPM) affect the stock price.

The Relationship of Net Profit Margin (NPM) on Stock Price

The second hypothesis specifies a positive relationship of Net Profit Margin (NPM) towards the Stock Price of Consumer Goods Industry Sector companies listed in Kompas 100 Index. The research result partially exhibits a probability value of NPM (Net Profit Margin) variable 0,0060 < 0,05 and t-statistic of 2.993373, which means that Net Profit Margin has a partially positive influence on stock price variable.

Based on Signalling Theory, the advancement of company's ability to generate net profit signifies a positive signal to the investors which is resulted in the company's stock price to rise. The higher the company's NPM value, the higher is the company's stock price. This matches the

previous research projects conducted by Maulana (2016) and Hayati (2019) who claim that Net Profit Margin (NPM) affects the stock price.

The Relationship of Return on Equity on Stock Price

The test result partially shows that probability of Return on Equity (ROE) variable is 0.0710 > 0,10 and t-statistic is 1.882653 which means that Return on Equity (ROE) has positive relationship on stock price variable at a confidence level of 90 percent. This is based on previous hypothesis statement where the third hypothesis states that Return on Equity (ROE) has positive relationship on the stock price of Consumer Goods Industry Sector companies listed in Kompas 100.

Return on Equity measures the company's ability to generate net profit based on certain equity. The higher the ratio, the higher profit that investor gains as the equity is getting more efficient. In other words, the management has proper ability to make us of share capital for operation activities in order to generate additional profit for the company. This can attract investors to invest in the company. This research result is also based on the theory in which the higher the ROE, the company's stock price could also raise. Therefore, this research result supports previous research from Baramuli (2017) and Ardi (2019) which states that Return on Equity (ROE) variable has positive relationship on stock price.

Dividend Yield (DY) Effect on Stock Price

The fourth hypothesis specifies that Dividend Yield (DY) has positive influence on Stock Price on Consumer Goods Industry Sector companies listed in Kompas 100. The research result partially shows that the probability of Dividend Yield (DY) 0.1462 > 0,05 and t-statistic -1.497752 which means that Dividend Yield has no effect on stock price variable.

This is somehow not in line with Signalling Theory, if a company announces a higher dividend than the one anticipated by the market, that will be interpreted as a signal that company has better prospective financial performance in near future than expected, thus raise up the stock price. This happens because each investor has different view. According to Litzenberger and Ramawamy in Tax Differential Theory (Surbakti, 2013), tax applied on company's profit such as dividend and capital gain affect investor decision. Investor tends to choose capital gain to delay tax payment. Therefore, investors prefer to choose stock with higher capital gain than dividend yield. This is aligned with the previous research conducted by Gupta (2016) and Sundaram (2016) which affirms that Dividend Yield (DY) has no effect on stock price.

CONCLUSION

Based on the result analysis of the hypothesis, it can be concluded that:

1. Current Ratio (CR) variable does not have significant effect on the stock price of Consumer Goods Industry Sector companies listed in KOMPAS 100 Index 2013-2019. This illustrates that a high Current Ratio (CR) of companies is interpreted variously by investors. Some investors will interpret a high Current Ratio (CR) reflects a company with high liquidity which indicates enterprise ability to pay short-term obligations. However, some investors also have different opinions where a high Current Ratio (CR), in fact, reflects a company's

ability to optimize the current assets in a poor condition. Thus, investors do not consider this factor in investing, hence Current Ratio (CR) does not affect the stock price on Consumer Goods Industry Sector companies listed in KOMPAS 100 Index 2013-2019.

2. Net Profit Management (NPM) have a significantly positive relationship on stock price of Consumer Goods Industry Sector companies listed in KOPMAS 100 2013-2019. If the company's ability to generate net profit increases, this gives a positive signal to investors which results in the increasing of stock price. The higher the NPM of a company, the higher is that company's stock price. Hence, investors consider this factor in making investment so that NPM affects the stock price of Consumer Goods Industry Sector companies listed in KOMPAS 100 2013-2019.

3. Return on Equity (ROE) variable has a significant effect on the stock price of Consumer Goods Industry Sector companies listed in KOMPAS 100 Index 2013-2019. The higher the ratio, the higher is investor's profit as the capital is getting more efficient. In other words, the management has a proper ability to utilize the capital stock for operation which eventually generates more profit for the company. This attracts more investors to invest in the company. Therefore, investor considers this factor in making investments so the Return on Equity (ROE) does affect the stock price of Consumer Goods Industry Sector companies listed in KOMPAS 100 Index 2013-2019.

4. Dividend Yield (DY) variable does not have significant effect on stock price of Consumer Goods Industry Sector companies listed in KOMPAS 100 Index 2013-2019. This happens because each investor has different view. According to Litzenberger and Ramawamy in Tax Differential Theory (Brigham and Houston 2006), tax applied on company's profit such as dividend and capital gain affect investor decision. Investor tends to choose capital gain to delay tax payment. Therefore, investors prefer to choose stock with higher capital gain than dividend yield. Therefore, investor does not consider this factor to make investment and Dividend Yield does not affect the stock price on Consumer Goods Industry Sector companies listed in KOMPAS 100 Index 2013-2019.

Based on the research result, these are some suggestions proposed in this research: (1) For Investors, in order to acquire the orientation on how high or low the stock price in buying and selling shares, investors have to take Net Profit Management (NPM) and Return on Equity (ROE) into consideration. (2) For Management, in order to achieve a great achievement in raising the stock price, the Management needs to increase the Net Profit Management (NPM) and Return on Equity (ROE) as well. (3) For Future Research, in order to obtain a more accurate result, it is highly recommended to add more variables which can affect the stock price such as Solvency Ratio and Activity Ratio.

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