FACTORS THAT AFFECT SHARE PRICE (CASE STUDY ON PROPERTY AND REAL ESTATE COMPANIES LISTED ON THE INDONESIA)

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Abstract: This study aims to determine and analyze the Current Ratio, Debt Equity Ratio, Return on Equity on Stock Price. The population in this study were companies that Property and Real Estate on the Indonesia Stock Price for the period 2014-2016. The research design used is casual research. The sampling technique was purposive sampling method. From this method obtained 15 companies that meet the criteria during the three-year observation period. The data analysis method uses quantitative analysis. The results of the study indicate that Current Ratio has a negative and significant effect on Stock Price, Debt Equity Ratio has a positive and significant effect on Share Price, and Return On Equity has a positive and significant effect on Stock Price for those companies that Property and Real Estate on the Indonesia Stock Price for 2014-2016 period.

Keywords: Current Ratio (CR), Debt Equity Ratio (DER), Return on Equity (ROE), Stock Price.

INTRODUCTION

The business world which is entering the era of globalization has resulted in increasingly fierce competition. Such conditions require every company to carry out its activities effectively and efficiently to maintain a competitive advantage so that the company's continuity is maintained. Factors supporting the continuity of a company include the availability of sufficient capital to finance the company's activities. One source of funds for capital can be obtained by the company by selling shares to the public in the capital market.

Companies that want to enter the capital market need to pay attention to the requirements issued by the OJK as the capital market regulator. In addition, the company must also be able to increase the value of the company so that there is an increase in the sale of its shares in the capital market. The presence of the capital market in Indonesia is marked by the number of investors starting to invest in the property and real estate industry. The property and real estate business, both residential and commercial, has shown fairly rapid development in Indonesia. The rapid development of the property sector is followed by higher demand for housing, thus making property issuers need funds from external sources.

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starting to invest in the property and real estate industry. The property and real estate business, both residential and commercial, has shown fairly rapid development in Indonesia. The rapid development of the property sector is followed by higher demand for housing, thus making property issuers need funds from external sources.

The Company's financial performance could be done by analyzing financial statements. One form of financial statement analysis is by analyzing the financial ratios (Mustaffa, M, 2021). The property and real estate sectors can be used as a benchmark for a country's economic growth. T.G Diredja (Kompas, 2013) states, if the country's macroeconomic conditions are growing high, the property and real estate businesses will also experience growth. However, if the country's economy recedes, the property industry will also recede.

Share prices in the property and real estate sectors decreased from 2014 – 2016. The decline was due to several factors including the rupiah exchange rate against the dollar, interest rates, and Indonesian economic factors. These factors not only affect people's purchasing power but also affect the company's operations.

The financial ratios used in this study include the Current Ratio (CR), Debt to equity ratio (DER), and Return On Equity (ROE). The reason for choosing the Property and Real Estate sub-sector company as the object of research is because Property and Real Estate companies in Indonesia are growing. This is because Indonesia is a developing country, so the need for the property will continue to increase in line with development carried out by the government and development carried out by the private sector.

Based on the background and phenomena that occur on stock prices in property and real estate companies, the researchers are interested in researching with the title "The Effect of Current Ratio (CR), Debt Equity Ratio (DER) and Return On Equity (ROE) on Stock Prices (Case Study on Property and Real Estate Companies Listed on the Indonesia Stock Exchange Period 2014 – 2016)."

The aim of this research is to prove and analyze the effect of the Current Ratio (CR) on stock prices in property and real estate companies listed on the Indonesia Stock Exchange for the period 2014 – 2016, to prove and analyze the effect of the Debt to Equity Ratio (DER) on stock prices in property and real estate companies listed on the Indonesia Stock Exchange for the period 2014 – 2016, and to prove and analyze the effect of Return On Equity (ROE) on stock prices in property and real estate companies listed on the Indonesia Stock Exchange for the period 2014 – 2016.

**LITERATURE REVIEW**

**Financial Management**

According to Keown (2010), financial management is concerned with how to create and maintain economic value or wealth. Consequently, all decision-making should be focused on wealth creation. The function of the strategy is basically to make the strategy that has been prepared can be implemented effectively. The main objective of financial management is to maximize shareholder wealth. Financial market behavior must be used in setting corporate goals that are to defend the interests of shareholders. According to Kasmir (2017) states that financial statements are reports that show the company's financial condition at this time or in a certain period.
According to Law No. 21 of 2011 concerning the Financial Services Authority, the definition of capital market is an activity related to public offerings and securities trading. Public companies related to the securities they issue, as well as institutions and professions related to securities.

According to the Indonesia Stock Exchange (2019), instruments traded in the capital market are long-term instruments (more than 1 year) which include:

a. Stock  
b. Bond  
c. Warrant  
d. Right  
e. Mutual Fund  
f. Derivative Instruments

Financial Ratio

According to Keown (2010), financial ratios are a way to make comparisons of company financial data more meaningful. Comparisons can be made between one component with components in one report or between components that exist between financial statements. Then the numbers being compared can be in the form of numbers in one period or different periods.

1. Profitability Ratio: profitability ratio is a ratio to assess the company's ability to seek profit.
   a. Profit Margin: For gross profit margin with the formula:
      \[ \text{Profit Margin} = \frac{\text{Net Sales} \times \text{Product Price}}{\text{Sales}} \]
      For net profit margin with the formula:
      \[ \text{NPM} = \frac{\text{Earning After Tax (EAT)}}{\text{Sales}} \]
   b. Return on Assets (ROA)
      \[ \text{Return On Assets} = \frac{\text{Net Profit}}{\text{Total Assets}} \times 100\% \]
   c. Return On Equity (ROE)
      \[ \text{Return On Equity} = \frac{\text{Net Profit}}{\text{Total Equity}} \]
2. Liquidity Ratio: According to Brigham & Houston (2014) the liquidity ratio is a ratio that shows the relationship between cash and other company's current assets with their current liabilities
   a. Current Ratio
   \[
   \text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Debt}}
   \]
   b. Fast Ratio
   \[
   \text{Quick Ratio} = \frac{\text{Current Assets - Inventory}}{\text{Current Liabilities}}
   \]
   c. Inventory to Net Working Capital
   \[
   \text{INWC} = \frac{\text{Inventory}}{\text{Current Assets - Current Liabilities}}
   \]
3. Leverage Ratio: According to Brigham and Houston (2014) the solvency ratio or leverage ratio is a ratio used to measure the extent to which a company's assets are financed by debt.
   a. Debt to Asset Ratio (Debt Asset Ratio)
   \[
   \text{Debt to Asset Ratio} = \frac{\text{Total Debt}}{\text{Total Assets}}
   \]
   b. Debt to Equity Ratio (Debt to Equity Ratio)
   \[
   \text{Debt to Equity Ratio} = \frac{\text{Total Debt}}{\text{Total Equity}}
   \]
4. Activity Ratio: According to Brigham and Houston (2014) the activity ratio is the ratio used to measure the effectiveness of the company in using its assets.
   a. Inventory Turn Over
   \[
   \text{Inventory Turn Over} = \frac{\text{Cost of Goods Sold}}{\text{Average Inventory}}
   \]
   b. Total Asset Turnover (Total Asset Turn Over)
   \[
   \text{Total Assets Turn Over} = \frac{\text{Net Sales}}{\text{Total Assets}}
   \]
   c. Receivable Turn Over
   \[
   \text{Receivable Turn Over} = \frac{\text{Credit Sales}}{\text{Receivable}}
   \]
   d. Fixed asset turnover (Fixed Asset Turn Over)
   \[
   \text{Fixed Asset Turn Over} = \frac{\text{Sales}}{\text{Fixed Assets}}
   \]

Stock Price

According to Hidayat (2010:103), every share issued by the company has a price. The nominal share price is the price listed on the issued shares. This price will be used for accounting purposes, namely recording the fully paid-up capital. According to Brigham and Houston (2010:33) stock prices are influenced by several internal and external factors, namely:
1. Internal Factor
   a. Announcements about marketing product sales such as advertisers, contract details, price changes, new product recalls production reports, security reports, and sales
b. Funding announcement.

c. Announcements of the management board of directors such as changes and changes to directors, management, and organizational structure.

d. The takeover announcement is verified.

e. Investment announcement.

f. Employment announcement.

g. Announcement of company financial statements, such as profit forecasting before the end of the fiscal year and after the end of the fiscal year, Earning Per Share (EPS), Dividend Per Share (DPS), Price Earning Ratio (PER), Net Profit Margin (NPM), Return On Assets (ROA) and others.

2. External Factors

a. Announcements from the government such as changes in interest rates for savings and time deposits, foreign exchange rates, inflation, as well as various economic regulations and deregulations issued by the government.

b. Legal announcement.

**Conceptual Framework**

From the theoretical explanation and the results of previous studies, the variables in this study are the Current Ratio, Debt Equity Ratio, and Return On Equity on stock prices. Systematically the conceptual framework in this study can be seen in Figure 1.

**Figure 1. Conceptual Framework**

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**Hypothesis Development**

H1: Current Ratio has a positive effect on stock prices in Property and Real Estate companies listed on the IDX for the period 2014 – 2016.

H2: Debt to equity ratio has a positive effect on stock prices in Property and Real Estate companies listed on the IDX for the period 2014 – 2016.

H3: Return on Equity has a positive effect on stock prices in Property and Real Estate companies listed on the IDX for the period 2014 – 2016.

**RESEARCH METHODS**

This study uses property and real estate companies. The place of this research is in Jakarta, which is in March - June 2020 with the selected object and this research is carried
out in the Indonesian Stock Exchange gallery. The research design is causal research. This causal research design is research with the characteristics of the problem in the form of a causal relationship between two or more variables.

In this study the independent variables, namely, Current Ratio (CR), debt to equity ratio (DER), and Return On Equity (ROE) on the dependent variable, namely Stock Prices in Property and Real Estate companies listed on the Indonesia Stock Exchange (IDX) in 2014 - 2016. The population in this study are companies that are included in the Real Estate and property sectors in as many as 47 companies listed on the Indonesia Stock Exchange (IDX) during the 2014-2016 period.

Secondary data in the form of annual financial reports from companies that conduct Initial Public Offerings and experience underpricing are listed on the Indonesia Stock Exchange as of January 2019 through purposive sampling technique with the criteria for determining the Indonesian banking sample as follows:

The criteria for selecting the sample to be studied are as follows:
1. Property and Real Estate Companies listed on the Indonesia Stock Exchange during the 2014-2016 research period.
2. Property and Real Estate Companies that do not have an incomplete ratio during the period 2014 – 2016.
3. Companies that go public and companies that experience a decline in stock prices from 2014-2016.

In this study, the analysis method used was panel data regression analysis with the help of Eviews 9 software, and to determine the level of significance of each regression coefficient between the independent variables and the dependent variable, the following statistical tests were used:
1. Descriptive Statistical Analysis: Descriptive analysis aims to determine the characteristics of each variable in the research sample through descriptive statistical analysis.
2. Stationary Test: The purpose of the stationarity test is to see if the mean-variance of the data is constant over time and the covariance between two or more data in a time series depends only on the lags between the two or more periods.
3. Classical Assumption Test: According to Ghozali (2013), in performing a simple regression analysis, the classical assumption is first tested to meet the BLUE (Best Linear Unbiased Estimator) nature of the regression estimation.
4. Panel Data Regression Method: According to Widarjono (2013) in the panel data model analysis, there are three approaches used in estimating the panel data regression model, namely:
   a. Common effect (pooled least square)
      In this approach, it does not pay attention to the individual and time dimensions, it is assumed that the behavior of the data between companies is the same in various periods.
   b. Fixed effects (FE)
      The definition of fixed effect is based on the differences in intercepts between
companies, but the intercepts are constant over time.

c. Random effects (RE)

The random effect model is an estimation method of panel data regression model with the assumption that the regression coefficient (slope) is constant and the intercept is different between time and between individuals (random effect).

5. Selection of Panel Data Regression Model: According to Widarjono (2013) There are several stages of testing carried out to choose which model is appropriate for panel data processing, including:

a. Chow test

The Chow test is a test to choose whether the common effect or fixed effect model is more appropriate to use in panel data regression.

b. Hausman test

Hausman test is a statistical test to choose whether the fixed effect or random effect model is the most appropriate to use if the results of the Chow test determine that the fixed effect method is used to estimate the panel data regression.

c. Lagrange Multiplier Test

Lagrange Multiplier (LM) is a test to find out whether the Random Effect model or the Common Effect (OLS) model is the most appropriate to use.

6. Hypothesis Testing: The steps to test the hypotheses proposed in this study are as follows.

a. t-test

Ghozali (2013) suggests that the t-test shows how far the influence of one explanatory/independent variable individually in explaining the variation of the dependent variable.

2. Coefficient of Determination (R2)

According to Ghozali (2013), the coefficient of determination (R2) essentially measures how far the model's ability to explain variations in the dependent variable is. The value of the coefficient of determination is between zero and one.

FINDINGS AND DISCUSSION

Overview of Research Objects

The object of research in this study is the Property and Real Estate sub-sector companies listed on the Indonesia Stock Exchange from 2014 to 2016. There are 47 companies listed on the Exchange, and of all these companies only 15 companies are eligible to serve as research samples for the period 2014 to 2016. with 2016.

Table 1. Descriptive Statistic

<table>
<thead>
<tr>
<th></th>
<th>STOCK PRICE_SAHAM</th>
<th>CR</th>
<th>DER</th>
<th>ROE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>2052.933</td>
<td>2.291741</td>
<td>0.850124</td>
<td>12.72710</td>
</tr>
<tr>
<td>Median</td>
<td>1020.000</td>
<td>1.847524</td>
<td>0.674208</td>
<td>11.35742</td>
</tr>
<tr>
<td>Maximum</td>
<td>10400.00</td>
<td>6.913269</td>
<td>1.798828</td>
<td>41.16321</td>
</tr>
<tr>
<td>Minimum</td>
<td>106.0000</td>
<td>0.362425</td>
<td>0.146925</td>
<td>0.848083</td>
</tr>
</tbody>
</table>

Available Online: https://dinastipub.org/DIJEFA
Based on the descriptive statistical test of Table 1 above, that:
1. \( N=45 \) means the amount of data processed in this study is 45 samples.
2. Variable \( Y \) = The mean value of \( 2052,933 \) means that property and real estate companies have a fairly good stock price value when it occurs as much as \( 2052,933 \) times. With a minimum value of 106 and a maximum of 10400.
3. Variable \( X_1 \) (CR) = The mean value of \( 2.291741 \) means that the company studied shows that if the company increases its current liabilities per Rp. 100, then the company can fulfill its current liabilities with assets of \( 2.291741 \) times. With a minimum value of \( 0.362425 \) and a maximum of \( 6.913269 \).
4. Variable \( X_2 \) = DER has a mean (average) value of \( 0.850124 \), thus indicating a fairly good result.
5. Variable \( X_3 \) = ROE has a mean (average) value of \( 12,72710 \), thus indicating a fairly good result. The mean value of \( 12.72710 \) means that the company's ability to generate net income for investors.

**Data Quality Analysis**
   The value of the test stock price is \(-4.490827 < -3.588509\). Where the probability value of the stock price is \( 0.0045 \), which means it is smaller than the confidence level, which is \( 0.05 \), which means that \( H_0 \) is rejected and it means that the data does not have a unit root test or a stationary stock price variable.
2. Test Stationary Current Ratio
   The current ratio test value is \(-3.967666 < -3.588509\). Where the probability value of the Current Ratio is \( 0.0036 \), which means it is smaller than the confidence level, which is \( 0.05 \), which means that \( H_0 \) is rejected and it means that the data does not have a unit root test or a stationary Current Ratio variable.
3. Debt to Equity Ratio stationary test
   The value of the debt to equity ratio test is \(-4.130251 < -3.588509\). Where the value of the probability debt to equity ratio is \( 0.0005 \), which means it is smaller than the confidence level, which is \( 0.05 \), which means that \( H_0 \) is rejected and it means that the data does not have a unit root test or a stationary debt to equity ratio variable.
4. Stationary test of return on equity
   The value of Return On Equitiy test is \(-4.492592 < -3.588509\). Where the probability value of Return On Equity is \( 0.0008 \) which means it is smaller than the confidence level of 0.05 which means that \( H_0 \) is rejected and it means that the data does not have a unit root test or a stationary Return On Equity variable.

**Classical Assumption Test**
1. Normality Test

**Picture 1. Normality Test**

![Normality Test Graph]

- Series: Residuals
- Sample: 1.45
- Observations: 45
- Mean: -2.58e-16
- Median: 0.361328
- Maximum: 4.970423
- Minimum: -1.872079
- Std. Dev: 1.360162
- Skewness: 1.649319
- Kurtosis: 6.331186
- Jarque-Bera: 41.20841
- Probability: 0.065135
Source: Output e-Views

It can be seen that the probability value is 0.065135 > 0.05, which means that H0 is accepted or the data is normally distributed.

2. Multicollinearity Test

Table 2. Multicollinearity Test

<table>
<thead>
<tr>
<th>Variable</th>
<th>Variance</th>
<th>VIF</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR</td>
<td>8.087309</td>
<td>1.904387</td>
<td>3.132854</td>
</tr>
<tr>
<td>DER</td>
<td>0.200090</td>
<td>4.324925</td>
<td>2.047351</td>
</tr>
<tr>
<td>ROE</td>
<td>4.021640</td>
<td>3.466292</td>
<td>1.117080</td>
</tr>
<tr>
<td>C</td>
<td>0.337197</td>
<td>7.642688</td>
<td>NA</td>
</tr>
</tbody>
</table>

Source: Output e-Views

The value of variance inflation factors Current Ratio, Debt Equity Ratio, and Return On Equity of each company are 3.132854, 2.047351, and 1.117080 < 10, meaning that in this study there is no multicollinearity problem.

3. Heteroscedasticity Test

Table 3. Heteroscedasticity Test

<table>
<thead>
<tr>
<th>Heteroskedasticity Test: Breusch-Pagan-Godfrey</th>
</tr>
</thead>
<tbody>
<tr>
<td>F-statistic</td>
</tr>
<tr>
<td>Obs*R-squared</td>
</tr>
<tr>
<td>Scaled explained SS</td>
</tr>
</tbody>
</table>

Source: Output e-Views

From the results of data processing in table 3 above, there are results of the chi-square (4) prob on the obs*r-squared of 0.5176, so H0 is accepted or it means that the regression model is homoscedastic in other words there is no heteroscedasticity.

Panel Data Regression Analysis

1. Common Effect Test

Table 4. Common Effect Method

Dependent Variable: HARGA_SAHAM
Method: Panel Least Squares
Date: 04/05/20 Time: 22:23
Sample: 2014 2016
Periods included: 3
Cross-sections included: 15
Total panel (balanced) observations: 45

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>1003.400</td>
<td>1254.550</td>
<td>0.799809</td>
<td>0.4284</td>
</tr>
<tr>
<td>CR</td>
<td>219.9256</td>
<td>267.0410</td>
<td>0.823565</td>
<td>0.4150</td>
</tr>
<tr>
<td>DER</td>
<td>-564.5668</td>
<td>798.5606</td>
<td>-0.706981</td>
<td>0.0036</td>
</tr>
<tr>
<td>ROE</td>
<td>80.55713</td>
<td>41.72590</td>
<td>1.930626</td>
<td>0.0005</td>
</tr>
</tbody>
</table>

R-squared: 0.731888
Adjusted R-squared: 0.768367
S.E. of regression: 0.706981
Log likelihood: -812.5287

Sumber: Output eviews

Stock Price = C + 0.823565CR - 0.706981DER + 1.930626ROE

Based on the above equation, it can be explained that:

a. CR has a positive but not significant effect
b. DER has a negative and significant effect
b. ROE has a positive and significant effect

2. Fixed Effect Model Test

Table 5. Model Fixed Effect

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>1769.521</td>
<td>1244.752</td>
<td>1.421585</td>
<td>0.1666</td>
</tr>
<tr>
<td>CR</td>
<td>-411.9453</td>
<td>185.2128</td>
<td>-2.224172</td>
<td>0.0347</td>
</tr>
<tr>
<td>DER</td>
<td>1023.491</td>
<td>1130.171</td>
<td>0.905608</td>
<td>0.0032</td>
</tr>
<tr>
<td>ROE</td>
<td>28.09267</td>
<td>15.18557</td>
<td>1.849958</td>
<td>0.0053</td>
</tr>
</tbody>
</table>

Effects Specification

Cross-section fixed (dummy variables)

R-squared: 0.956320
Adjusted R-squared: 0.928818
The results of the fixed effect test can be seen with the following equation:

\[ \text{Stock Price} = C - 2.224172 \cdot \text{CR} + 0.905608 \cdot \text{DER} + 1.849958 \cdot \text{ROE} \]

Based on the above equation, it can be explained that:

a. CR has a negative and significant effect
b. DER has a positive and significant effect
c. ROE has a positive and significant effect

3. Random Effect Model Test

**Table 6. Random Effect Method**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>2284.673</td>
<td>1202.050</td>
<td>1.900647</td>
<td>0.0644</td>
</tr>
<tr>
<td>CR</td>
<td>-354.7396</td>
<td>172.8065</td>
<td>-2.052815</td>
<td>0.0465</td>
</tr>
<tr>
<td>DER</td>
<td>249.9813</td>
<td>887.1624</td>
<td>0.281776</td>
<td>0.7795</td>
</tr>
<tr>
<td>ROE</td>
<td>28.96337</td>
<td>14.95319</td>
<td>1.936936</td>
<td>0.0397</td>
</tr>
</tbody>
</table>

Effects Specification

<table>
<thead>
<tr>
<th></th>
<th>S.D.</th>
<th>Rho</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cross-section random</td>
<td>2462.778</td>
<td>0.9309</td>
</tr>
<tr>
<td>Idiosyncratic random</td>
<td>671.1953</td>
<td>0.0691</td>
</tr>
</tbody>
</table>

Weighted Statistics

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>R-squared</td>
<td>0.976346</td>
<td>Mean dependent var</td>
</tr>
<tr>
<td>Adjusted R-squared</td>
<td>0.916079</td>
<td>S.D. dependent var</td>
</tr>
<tr>
<td>S.E. of regression</td>
<td>690.4779</td>
<td>Sum squared resid</td>
</tr>
<tr>
<td>F-statistic</td>
<td>2.926069</td>
<td>Durbin-Watson stat</td>
</tr>
<tr>
<td>Prob(F-statistic)</td>
<td>0.005016</td>
<td></td>
</tr>
</tbody>
</table>

Unweighted Statistics

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>R-squared</td>
<td>0.684624</td>
<td>Mean dependent var</td>
</tr>
<tr>
<td>Sum squared resid</td>
<td>3.029808</td>
<td>Durbin-Watson stat</td>
</tr>
</tbody>
</table>

Source : Output e-Views
Stock Price = C - 2.052815CR + 0.281776DER + 1.936936ROE

Based on the calculation results of the random effect model above, the results:
   a. CR has a negative and significant effect
   b. DER has a positive but not significant effect
   b. ROE has a positive and significant effect

Selection of Panel Data Regression Model

1. Chow test

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
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<td>C</td>
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</tr>
<tr>
<td>ROE</td>
<td>28.09267</td>
<td>15.18557</td>
<td>1.849958</td>
<td>0.0053</td>
</tr>
</tbody>
</table>

R-squared: 0.956320
Adjusted R-squared: 0.928818
S.E. of regression: 12163585
Log likelihood: -345.2664
F-statistic: 34.77268
Prob(F-statistic): 0.000000

The results obtained have a probability of 0.0000 < 0.05, meaning that H0 is rejected, the Fixed Effect model is the right model. Because the Chow test results are H0 rejected, then proceed to the Hausman test.

2. Hausman test

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean dependent var</td>
<td>2052.933</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S.D. dependent var</td>
<td>12163585</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Akaike info criterion</td>
<td>671.1953</td>
<td></td>
<td></td>
<td>16.14517</td>
</tr>
<tr>
<td>Schwarz criterion</td>
<td>12163585</td>
<td></td>
<td></td>
<td>16.86784</td>
</tr>
<tr>
<td>Hannan-Quinn criter.</td>
<td>-345.2664</td>
<td></td>
<td></td>
<td>16.41457</td>
</tr>
<tr>
<td>Durbin-Watson stat</td>
<td>34.77268</td>
<td></td>
<td></td>
<td>1.908871</td>
</tr>
<tr>
<td>Source: Output e-Views</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Correlated Random Effects - Hausman Test
**Test Summary**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cross-section random</td>
<td>15.389600</td>
<td>3</td>
<td>0.0054</td>
</tr>
</tbody>
</table>

**Cross-section random effects test comparisons:**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Fixed</th>
<th>Random</th>
<th>Var(Diff.)</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR</td>
<td>-411.9453</td>
<td>-354.7396</td>
<td>4441.7228</td>
<td>0.0007</td>
</tr>
<tr>
<td>DER</td>
<td>1023.491</td>
<td>249.9813</td>
<td>490228.46</td>
<td>0.0093</td>
</tr>
<tr>
<td>ROE</td>
<td>28.09267</td>
<td>28.96337</td>
<td>7.003684</td>
<td>0.0022</td>
</tr>
</tbody>
</table>

**Cross-section random effects test equation:**

Dependent Variable: STOCK_PRICE
Method: Panel Least Squares
Sample: 2014 2016

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>1769.521</td>
<td>1244.752</td>
<td>1.421585</td>
<td>0.1666</td>
</tr>
<tr>
<td>CR</td>
<td>-411.9453</td>
<td>185.2128</td>
<td>-2.224172</td>
<td>0.0347</td>
</tr>
<tr>
<td>DER</td>
<td>1023.491</td>
<td>1130.171</td>
<td>0.905608</td>
<td>0.0032</td>
</tr>
<tr>
<td>ROE</td>
<td>28.09267</td>
<td>15.18557</td>
<td>1.849958</td>
<td>0.0053</td>
</tr>
</tbody>
</table>

**Effects Specification**

Based on table 8 Hausman test above, the results obtained have a probability of 0.0054 < 0.05, meaning that H0 is rejected, then the fixed effect model is the right model.

**Panel Data Regression Analysis**

Variables CR, DER, and ROE affect stock prices with the following conditions:

1. Current Ratio (CR) has a positive and significant effect on stock prices.
2. Debt Equity Ratio (DER) has a positive and significant effect on stock prices.
3. Return On Equity (ROE) has a negative but not significant effect on stock prices.

**Hypothesis Test**

1. Coefficient of Determination (R2)
   
   Based on the fixed-effect model, it can be seen that the Adjusted R-squared (R2) value is 0.928818. This means that 92.88% of stock price variables can be explained by independent variables, namely CR, DER, and ROE while the remaining 7.12% is explained by other factors outside the model being analyzed.
2. Model Testing (Y-Test)
   Based on table 5. Fixed Effect Model, it can be seen that the F statistic value is 0.00000. This means that the probability of sig 0.0000 < 0.05. To make a decision, it can be concluded that the independent variables, namely CR, DER, and ROE together (simultaneously) have a positive effect on the dependent variable, namely stock prices.

3. Model Testing (t-test)
   Based on the results of table 5. Fixed effect model, it can be concluded as follows:
   a. CR has a negative and significant effect
   b. DER has a positive and significant effect
   c. ROE has a positive and significant effect
   It is declared significant, assuming an alpha value of 0.05 that the researcher uses with a 95 percent confidence level where the probability value < α (0.05) is declared significant if the probability value is > > (0.05) it can be stated that it does not affect the variables studied.

Discussion of Research Results
1. The Effect of CR on Stock Prices.
   From the partial test results, it is known that the Current Ratio has a negative and significant effect on stock prices in Property and Real Estate companies listed on the Indonesia Stock Exchange for the period 2014 – 2016 This is indicated by the t statistic value of 2.224172 with a regression coefficient value with a negative direction of 2.224172 with a probability of 0.0347 which is below 0.05 (significant level = 5%). So Ha which states that the Current Ratio has a negative and significant effect on stock prices can be accepted.

2. The Effect of DER on Stock Prices.
   From the partial test results, it is known that the Debt Equity Ratio has a positive and significant effect on stock prices in Property and Real Estate companies listed on the Indonesia Stock Exchange for the period 2014 – 2016 This is indicated by the t statistic value of 0.905608 with the regression coefficient value in a positive direction of 0.905608 with a probability of 0.0032 which is below 0.05 (significant level = 5%). So Ha which states that the Debt Equity Ratio has a positive and significant effect on stock prices is acceptable.

3. The Effect of ROE on Stock Prices.
   From the partial test results it is known that return on equity has a positive and significant effect on stock prices in Property and Real Estate companies listed on the Indonesia Stock Exchange for the period 2014 – 2016 This is indicated by the t statistic value of 1.849958 with a regression coefficient value with a positive direction of 1.849958 with a probability of 0.0053 which is below 0.05 (significant level = 5%). So Ha which states that return on equity has a positive and significant effect on stock prices can be accepted.

CONCLUSION AND RECOMMENDATION

Conclusion
Based on the analysis of the influence of the Current Ratio (CR), debt to equity ratio (DER),
and Return On Equity (ROE) on stock prices (a case study on Property and Real Estate companies listed on the Indonesia Stock Exchange for the period 2014 – 2016) it can be concluded as follows:

1. Current Ratio (CR) has a negative and significant effect on stock prices (a case study on Property and Real Estate companies listed on the Indonesia Stock Exchange for the period 2014 – 2016).
2. Debt to equity ratio (DER) has a positive and significant effect on stock prices (a case study on Property and Real Estate companies listed on the Indonesia Stock Exchange for the period 2014 – 2016).
3. Return on Equity (ROE) has a positive and significant effect on stock prices (a case study on Property and Real Estate companies listed on the Indonesia Stock Exchange for the period 2014 – 2016).

Suggestions
Based on the discussion and conclusions in this study, the following suggestions can be submitted:

1. For Companies
   Companies should consider the variables Current Ratio (CR), debt to equity ratio (DER) and Return On Equity (ROE) in the context of the expected achievement to determine the stock price the company must pay attention to the Current Ratio in making short-term debt payments must analyze more deeply and details so that short-term debt can schedule debt repayments because the greater the Current Ratio indicates the company has sufficient sources of funds to pay its obligations, consider new loans, and liquidate collateral.

2. For Investors
   From the results of this study, investors (shareholders) who want to invest their capital to invest in the Property and Real Estate sub-sector do not need to worry because the values of the Current Ratio (CR), debt to equity ratio (DER), and Return On Equity (ROE) have a significant effect. will have an impact on the level of stock prices.

3. For Further Researchers
   Further researchers should research with different sectors, a larger number of samples, and variables such as Debt Asset Ratio, Dividend Payout Ratio, Price Earning Ratio, and others. This is done to see more diverse results and be able to strengthen the results of studies that have been done before.

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