Influence of Total Asset, Working Capital and Cash Flow with Net Profit as Mediation on Stock Price of Plastics and Packaging Industry Sub-Sector in Indonesia Stock Exchange

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Abstract: The aim of this research is to determine and analyze influence of Total Asset, Working Capital and Cash Flow with Net Profit as mediate variable on Stock Price at Plastics and Packaging industry sub-sector on the Indonesian stock exchange. Annual reports and closing Stock Price used on this research as secondary data. Sample of data using Plastic and Packaging industry sub-sector on the Indonesia Stock Exchange for the period 2016-2022. Sampling method been using purposive sampling. Path analysis with SPSS software used for this research to analyzing data. The sampling method uses purposive sampling. Research results: 1) The direct effect of Total Asset, Working Capital and Cash Flow on Stock Price are greater than the indirect effect of Total Asset, Working Capital and Cash Flow through Net Profit on Stock Price. 2) Total Asset, Working Capital and Cash Flow simultaneously have significant effect on Net Profit. 3) Partially Total Asset has positive and significant effect on Net Profit, Working Capital has positive and insignificant effect on Net Profit and Cash Flow has positive and significant effect on Net Profit. 4) Total Asset, Working Capital and Cash Flow simultaneously have significant effect on Stock Price. 5) Partially Total Asset has positive and significant effect on Stock Price, Working Capital has positive and insignificant effect on Stock Price and Cash Flow has positive and significant effect on Stock Price. 6) Net Profit has positive and significant effect on Stock Price.

Keyword: Total Asset, Working Capital, Cash Flow, Net Profit, Stock Price

INTRODUCTION

Intensified business competition makes companies compete in improving performance and quality in order to obtain profits which will provide added value to the company. With this added value, it is expected to attract investors to investing capital in stocks. The aim of a company in a competitive economy is to earn as much profit as possible in accordance with the company's long-term growth.

Although not all in the company organization make profit as the prime objective. The company's net profit is one of the factors that investors look at in the capital market to determine the option of making their investment.

There is a certain way that investors can invest their funds is by purchasing stocks. Stocks are proof of ownership of a share of capital in a limited liability company. In

general, Stock Price always fluctuate overtime. The Stock Price can be higher or lower or even the same as the price specified in the stock certificate.

The price that has been set in a company for the other side who intends to have stock ownership is called the Stock Price.

According to Kasmir (2018: 39) Total Asset are wealth that is company have, either at a certain time or a certain period of time, where the more assets, that is, the higher the company's Stock Price.

According to Sujarweni (2017: 186) cash is from what working capital or company's investment, securities, accounts receivable and inventory, reduced by current liabilities used to fund current assets. Efficient working capital can affect to increase the company's stock.

According to Kasmir (2018), report that shows all aspects related to the company's activity, both directly or indirectly affecting cash was view in the statement of cash flow. The cash flow statement must be prepared based on the concept of cash during the period of the report. According to the Ikatan Akuntan Indonesia (2014; 2.2) the definition of cash flow is, "Cash flows are inflows and outflows or cash equivalents." From the above definition, we can know that cash flow is the amount of cash flows into and out of a company in period. In other words, cash flow is a change that occurs in the estimated cash of a certain period.

According to Oktaviana (2017) Net profit is profit after tax obtained after being deducted by the tax costs received by the company where the more profit, will also increase the Stock Price. Stock Price can be reflected in the Stock Price. If the performance of a listed company increases, the market will appreciate the increase in Stock Price for the increased value of the company. A decrease in Stock Price can also occur if bad news emerges about the performance of a company. Based on this, changes in Stock Price can be relevant as a basis for assessing the performance of a company that goes public. Investors can use financial ratios from financial statements in making predictions about changes in Stock Price. Stock is one of the assets that is traded by companies in the capital market.

METHODS

Annual reports and closing price of stocks will used as secondary data on this research. Sample of this research are cable industry sub-sector in Indonesian Stock Exchange for the period 2016-2021. Purposive sampling used for the sampling method. Research using path analysis with SPSS software to analyze data. The expansion of multiple linear regression analysis can also be called Path Analysis, the causal link between variables that have been previously determined can be estimated using regression analysis (Ghozali, 2013).

RESULTS AND DISCUSSION
Path Analysis
The Effect of Total Asset, Working Capital, and Cash Flow Through Net Profit on Stock Price

Based on the obtained values in each path coefficient sub-structure that has been described and explained both directly and indirectly, and also the total effect between each independent variable, then when the IV structure is made into a complete unit of the path coefficient analysis used in this study, it can be seen in the following figure :
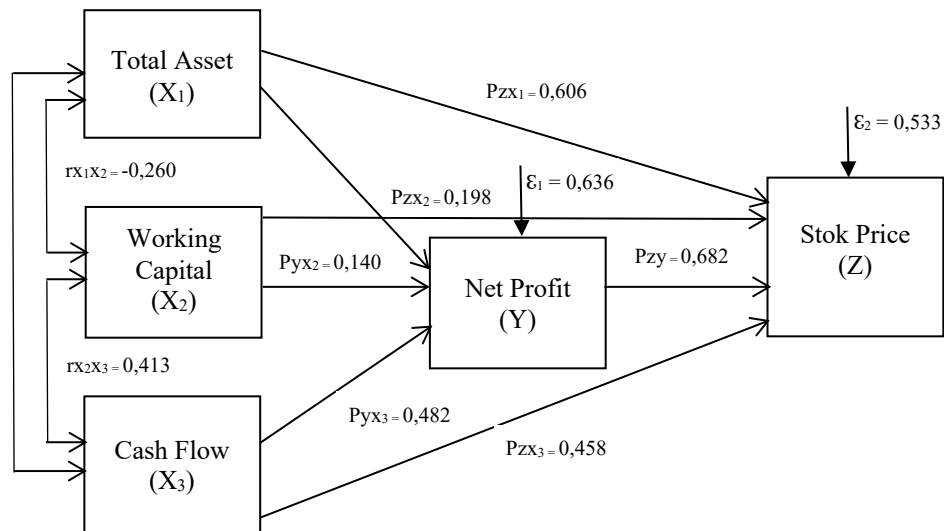
Figure 1. Path Analysis Result

1. **Direct and Indirect Effect of Total Asset (X_1) on Stock Price (Z)**
   a. Direct Effect of Total Asset (X_1) on Stock Price (Z)
      $= Pzx_1 \times Pzx_1$
      $= 0,606 \times 0,606$
      $= 0,367236$
      $= 36,72\%$
   b. Indirect Effect of Total Asset (X_1) through Net Profit (Y) on Stock Price (Z)
      $= Pzx_1 \times Pyx_1 \times Pzy$
      $= 0,606 \times 0,474 \times 0,682$
      $= 0,195900$
      $= 19,59\%$
   c. Total Direct and Indirect Effect of Total Asset (X_1) on Stock Price (Z)
      $= Pzx_1 \times Pzx_1 + Pzx_1 \times Pyx_1 \times Pzy$
      $= 0,606 \times 0,606 + 0,606 \times 0,474 \times 0,682$
      $= 0,367236 + 0,195900$
      $= 0,563136$
      $= 56,31\%,$

2. **Direct and Indirect Effect of Working Capital (X_2) on Stock Price (Z)**
   a. Direct Effect of Working Capital (X_2) on Stock Price (Z)
      $= Pzx_2 \times Pzx_2$
      $= 0,198 \times 0,198$
      $= 0,039204$
      $= 3,92\%$
   b. Indirect Effect of Working Capital (X_2) through Net Profit (Y) on Stock Price (Z)
      $= Pzx_2 \times Pyx_2 \times Pzy$
      $= 0,198 \times 0,140 \times 0,682$
      $= 0,018905$
      $= 1,89\%$
   c. Total Direct and Indirect Effect of Working Capital (X_2) on Stock Price (Z)
      $= Pzx_2 \times Pzx_2 + Pzx_2 \times Pyx_2 \times Pzy$
      $= 0,198 \times 0,198 + 0,198 \times 0,140 \times 0,682$
      $= 0,039204 + 0,018905$
      $= 0,058109$
      $= 5,81\%$

3. **Direct and Indirect Effect of Cash Flow (X_3) on Stock Price (Z)**
   a. Direct Effect of Cash Flow (X_3) on Stock Price (Z)
      $= Pzx_3 \times Pzx_3$
      $= 0,458 \times 0,458$
      $= 0,209764$
      $= 20,98\%$
   b. Indirect Effect of Cash Flow (X_3) through Net Profit (Y) on Stock Price (Z)
      $= Pzx_3 \times Pyx_3 \times Pzy$
      $= 0,458 \times 0,482 \times 0,682$
      $= 0,150556$
      $= 15,05\%$
   c. Total Direct and Indirect Effect of Cash Flow (X_3) on Stock Price (Z)
      $= Pzx_3 \times Pzx_3 + Pzx_3 \times Pyx_3 \times Pzy$
      $= 0,458 \times 0,458 + 0,458 \times 0,482 \times 0,682$
      $= 0,209764 + 0,150556$
      $= 0,360320$
      $= 36,03\%$

The direct effect of Total Asset on Stock Price = 0,367236 or 36,72% and the indirect effect of Total Asset through Net Profit on Stock Price = 0,195900 or 19,59%, with the total direct and indirect effect of Total Asset on Stock Price = 0,563136 or 56,31%. The direct effect of Total Asset on Stock Price is greater than the indirect effect of Total Asset through Net Profit on Stock Price.

The direct effect of Working Capital on Stock Price = 0,039204 or 3,92% and the indirect effect of Working Capital through Net Profit on Stock Price = 0,018905 or 1,89%, with the total direct and indirect effect of Working Capital on Stock Price = 0,058109 or 5,81%. The direct effect of Working Capital on Stock Price is greater than the indirect effect of Working Capital through Net Profit on Stock Price.

The direct effect of Cash Flow on Stock Price = 0,209764 or 20,98% and the indirect effect of Cash Flow through Net Profit on Stock Price = 0,150556 or 15,05%, with the total direct and indirect effect of Cash Flow on Stock Price = 0,360320 or 36,03%. The direct effect of Cash Flow on Stock Price is greater than the indirect effect of Cash Flow through Net Profit on Stock Price.

Effect of Total Asset, Working Capital and Cash Flow Simultaneously on Net profit

Table 1. ANOVAᵃ

	Model	Sum of Squares	Df	Mean Square	F	Sig.
	Regression	1.212	3	.404	5.909	.003ᵇ
1	Residual	2.120	31	.068		
	Total	3.332	34			

a. Dependent Variable: Net profit
b. Predictors: (Constant), Total Asset, Working Capital, Cash Flow

From the results in table 1 we found that $F_{count} > F_{table}$ (5,909 > 2,91) and level of significance = 0,003 < 0,05, meaning that Total Asset, Working Capital and Cash Flow simultaneously have significant effect on Net profit.

The Effect of Total Asset, Working Capital and Cash Flow Partially on Net profit

Table 2.Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.383	1.281		-.299	.767
	Total Asset_X1	.473	.152	.474	3.122	.004
	Working Capital_X2	.060	.068	.140	.879	.386
	Cash Flow_X3	.388	.130	.482	2.994	.005

a. Dependent Variable: Net Profit_Y

From table.2.Coefficients, we found that value of t_{count} Total Asset = 3,122 while the value of t_{table} = 2,03951 (t_{count} 3,122 > t_{table} 2,03951) and level of significance = 0,004 < 0,05, Total Asset has positive and significant effect on Net Profit, the results of this research are in line with the reseach of Zulkarnain (2020) which stated that there was positive and significant effect of Total Asset on Net Profit. The value of t_{count} Working Capital = 0,879 while the value of t_{table} = 2,03951 (t_{count} 0,879 < t_{table} 2,03951) and level of significance = 0,386 > 0,05, Working Capital has positive and insignificant effect on Net Profit, in line with the results of research by Sutrisno, Arwin and Riyadi (2021) which stated that there was positive and insignificant effect of Working Capital on Net Profit. While Cash Flow has value of t_{count} = 2,994 with value of t_{table} = 2,03951 (t_{count} 2,994 > t_{table} 2,03951) and level of significance = 0,005 < 0,05, Cash Flow has positive and significant effect on Net Profit.

The Effect of Total Asset, Working Capital and Cash Flow Simultaneously on Stock Price.

Table 3. ANOVA[a]

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.204	3	.401	9.048	.000[b]
	Residual	1.375	31	.044		
	Total	2.578	34			

a. Dependent Variable: Stock Price

b. Predictors: (Constant), Total Asset, Working Capital, Cash Flow

From the results in table 3, it is known that $F_{count} > F_{table}$ (9,048 > 2,91) and level of significance = 0,000 < 0,05, meaning that Total Asset, Working Capital and Cash Flow simultaneously have significant effect on Stock Price.

The Effect of Total Asset, Working Capital and Cash Flow Partially on Stock Price.

Table 4. Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.575	1.031		-2.496	.018
	Total Asset (X1)	.532	.122	.606	4.363	.000
	Working Capital (X2)	.075	.055	.198	1.359	.184
	Cash Flow (X3)	.325	.104	.458	3.113	.004

a. Dependent Variable: Stock Price_Z

From the data table.4 Coefficients, we found that t_{count} value of Total Asset = 4,363 while the t_{table} value = 2,03951 (t_{count} 4,363> t_{table} 2,03951) and level of significance = 0,000 < 0,05, Total Asset has positive and significant effect on Stock Price, the results of this research are in line with the reseach of Juwita, Harjadi and Purnama (2021) which stated that

there was positive and significant effect of Total Asset on Stock Price. The t_{count} value of Working Capital = 1,359 while the t_{table} value = 2,03951 (t_{count} 1,359 < t_{table} 2,03951) and level of significance = 0,184 > 0.05, Working Capital has positive and insignificant effect on Stock Price, in line with the results of research by Lubis and Ayuningtyas (2022) which stated that there was positive and insignificant effect of Working Capital on Stock Price. While Cash Flow has value of t_{count} = 3,113 with value of t_{table} = 2,03951 (t_{count} 3,113 > t_{table} 2,03951) and level of significance = 0,004 < 0,05, Cash Flow has positive and significant effect on Net Profit, in line with the results of research by Ernawati and Purwaningsih (2022) which stated that there was positive and significant effect of Cash Flow on Stock Price.

The Effect of Net Profit on Stock Price.

Table 5. Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.129	.540		-.239	.813
	Net Profit_Y	.600	.112	.682	5.364	.000

a. Dependent Variable: Stock Price_Z

From the result in table.5 Coefficeint, we found that t_{count} Net profit = 5,364 while the t_{table} value = 2,03452 (t_{count} 5,364 > t_{table} 2,03452) and level of significance = 0,000 < 0,05, Net Profit has positive and significant effect on Stock Price, the results of this research are in line with the research of Hiltari & Rahayu (2015) and Nuraeni & Siarwi (2022) which stated that there were positive and significant effect of Net Profit on Stock Price.

CONCLUSION

According to the results of the calculation and explanation, it can be concluded:

1. The direct effect of Total Asset, Working Capital and Cash Flow on Stock Price are greater than the indirect effect of Total Asset, Working Capital and Cash Flow through Net Profit on Stock Price.
2. Total Asset, Working Capital and Cash Flow simultaneously have significant effect on Net profit.
3. Total Asset has positive and significant effect on Net Profit, Working Capital has positive and insignificant effect on Net Profit and Cash Flow has positive and significant effect on Net Profit.
4. Total Asset, Working Capital and Cash Flow simultaneously have significant effect on Stock Price.
5. Total Asset has positive and significant effect on Stock Price, Working Capital has positive and insignificant effect on Stock Price and Cash Flow has positive and significant effect on Stock Price.
6. Net Profit has positive and significant effect on Stock Price.

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