ANALYSIS OF THE EFFECT OF FINANCIAL RATIO ON STOCK PRICES WITH GROWTH OPPORTUNITY AS A MODERATING VARIABLE IN RETAIL TRADE SECTOR COMPANIES IN INDONESIA STOCK EXCHANGE

Muhammad Rispan Affandi[1], Erlina[2], Khaira Fachrudin[3]
[1,2,3]Universitas Sumatera Utara
muhammadrispanaffandi@gmail.com

Abstract: The purpose of this study is to examine the effect of the Working Capital to Total Asset (WCTA) ratio, Retained Earning to Total Assets (RETA), Earning Before Interest and Tax to Total Assets (EBITTA), and Total Assets Turn Over (TATO) partially and simultaneously to stock prices with Growth Opportunity as a moderating variable. The population of this research is 26 retail companies listed on the Indonesia Stock Exchange with observations from 2013 to 2017. This study uses saturated sampling. The analytical tool used is panel data regression and data processing using software Eviews 7. The results of this test show that the WCTA and RETA ratios partially have no significant effect while the EBITTA and TATO ratios have a significant effect on stock prices. The simultaneous ratio of WCTA, RETA, EBITTA, TATO has a significant effect on stock prices. Growth Opportunity can moderate the relationship between the ratio of WCTA, RETA, EBITTA to stock prices but cannot moderate the Total Assets Turn Over (TATO) on stock prices.

Keywords: Working capital, Retained Earning, Total Asset, Stock Prices, Growth Opportunity.

1. Introduction

Progress in information technology changes consumption patterns in the community. The emergence of e-commerce (buying and selling transactions using the internet) makes people switch from shopping offline (direct shopping to stores) to shopping online (through e-commerce). This affects directly to companies that do retail sales. If before retail companies invest by setting up shops or outlets in many areas now they have to reduce and close their stores or retail outlets. This phenomenon certainly affects the performance of retail trade sector companies. The valuation of investors who will invest in the retail trade sector on the Indonesia Stock Exchange will affect the share price of these retail sector companies.

In general, the stock prices of retail trading companies listed on the Indonesia Stock Exchange experienced a decline during the period of 2013 to 2017. As an example experienced by 3 retail trade sector issuers such as Hero Supermarket Tbk (HERO), PT Matahari Department Store Tbk (LPPF), PT Catur Sentosa Adiprana Tbk. (CSAP) experienced a decline in stock prices during the period 2013 to 2017 which can be seen from the following chart table:

Table 1

	HERO		LPPF		CSAP	
	2016	2017	2016	2017	2016	2017
Stock Price	1.260	925	15.125	10.000	525	454
Total Assets	7.487.033	7.363.144	4.858.878	5.427.426	4.240.820	5.138.259
Total Liabilities	2.029.250	2.164.401	3.003.635	3.099.441	2.829.046	3.612.982
Total Equity	5.457.783	5.198.743	1.855.243	2.327.985	1.411.774	1.525.277
Operating profit	184.449	(251.647)	2.533.911	2.376.663	200.103	223.667
EPS	28,82	-45,75	692,17	653,57	17,84	19,21
ROA (%)	1,61	-2,60	41,57	35,14	1,76	1,73
ROE (%)	2,21	-3,68	108,86	81,92	5,29	5,84
NPM (%)	0,88	-1,47	20,41	19,03	0,92	0,70

Source: www.idx.co.id (data processed 2019)

From table 1, the three issuers experienced a decline in stock prices. Issuer HERO in 2017 financial ratios such as EPS ratio (Earning Per Share) minus Rp. 45.75 / sheet, ROA (Return On Asset) minus 2.60% and ROE (Return On Equity) minus 3.68%, and stock price decreased by 26% from Rp 1,260 / sheet when the closing of the stock price on December 31, 2016 was only Rp. 925 / sheet at the closing of December 31, 2017. LPPF as of December 31, 2016 recorded operating profit of Rp. 2,533,911 billion to Rp. 2,376,663 billion per December 31, 2017. The stock price of LPFF at the closing date of December 31, 2016 was Rp. 15,125 / sheet, while December 31, 2017 fell Rp 10,000 / share. CSAP at the close of December 31, 2017 recorded an operating profit of Rp 223,667 billion, up 12% compared to the closing of December 31, 2016 amounting to Rp 200,103 billion, but CSAP's stock price dropped from Rp 525 per share as at 31 December 2016 to Rp. 454 per share on 31 December 2017 .

This decline in stock prices if it occurs continuously is a threat to investors for their investment. Investors will face choices whether to retain their shares in the hope that the company's performance will improve or have to sell the shares they have to avoid greater losses. The measuring instrument that can be used by investors for decision making is by performing financial ratio analysis techniques. Financial ratio analysis uses existing financial statement data as a basis for its assessment. Although based on past data and conditions, financial ratio analysis is intended to assess risks and opportunities in the future. Measurements and relationships between one variable and other variables in financial ratios can provide meaningful conclusions to determine the level of financial health of a company. This is the basis for researchers to conduct research on "Analysis of the Effect of Financial Ratios on Stock Prices with Growth Opportunity as a Moderating Variable in Retail Trade Sector Companies on the Indonesia Stock Exchange".

2. Literature Review

2.1. Signalling Theory

Signalling Theory suggests how companies should provide signals to users of financial statements. This signal is in the form of information about what has been done by management to realize the wishes of the owner. Signals can be in the form of promotions or other information stating that the company is better than other

companies. Information is an important element for investors and business people because information essentially presents information, notes or descriptions both for past, present and future conditions for the survival of a company and how the market effects (Ross, 1977). The use of signalling theory in this study information in the form of financial ratios. The financial ratios used include the liquidity ratio (Working Capital to Total Assets), profitability (Earning Before Interest and Tax to Total Assets and Retained Earning to Total Assets), activity (Total Asset Turn Over) and growth ratio (Growth Opportunity).

2.2. Modigliani and Miller Theory

The dividend financial theory introduced by Modigliani and Miller (MM), also known as the dividend theory is irrelevant, states that dividend distribution to shareholders has no effect on stock prices or firm value. Firm value is determined by the company's ability to manage assets to produce a net profit not determined by the dividend distribution policy. The size of the dividends paid is irrelevant when associated with the firm value. With the payment of dividends, retained earnings will be reduced. The company's funding needs can no longer be met by retained earnings. The use of dividend theory in this study is the ratio of Retained Earning to Total Assets (RETA). Retained Earning to Total Asset ratio shows the company's ability to generate profits from assets owned by the company.

2.3. Bird in The Hand Theory

The dividend policy theory proposed by Gordon and Lintner states that the company's own capital costs will rise if the Payout Dividend is low, because investors prefer to receive dividends rather than capital gains. The purpose of investors to invest in a company is to get dividends. Investors do not want to invest in companies that receive dividends in the long term. Investors will be willing to pay a higher price for companies that pay dividends at this time. Current dividend receipts are a lower risk than obtaining capital gains in the future. This theory argues that cash in hand in the form of dividends is more valuable than wealth in other forms or with the term “one bird in the hand is more valuable than a thousand birds in the air”. The theory of Bird in The Hand, which Gordon and Litner put forward, is the opposite of the Modigliani and Miller theories.

2.4. Financial performance

Financial performance is used to measure a company's ability to generate profits from the use of all assets owned by the company. Financial performance in general is also used to identify the financial health of the company as a whole. Analysts and investors use financial performance to compare similar companies in the same industry or to compare industries or sectors in aggregate. Financial performance is also the result of several individuals' decisions that are made continuously by management. The coverage of financial performance measurement focuses on the financial value achieved by the company including assets, liabilities and equity, and net income which is the company’s income. With financial performance, the financial condition of a company can be measured in one reporting period, this financial condition is the basis for decision making of managers. Performance appraisal is the determination of the effectiveness of operations, organizations and employees based on goals, standards and criteria that have been previously set periodically. There are two forms of performance, namely

operational performance and financial performance. Operational performance emphasizes the company's internal interests such as branch or division performance as measured by speed and discipline. Financial performance is usually measured through financial ratios and company stock prices in the capital market (Mulyadi, 2010).

2.5. Conceptual Framework

The conceptual framework is formed to show the effect of independent variables on the dependent variable, with moderating variables as reinforcing variables. In this study the independent variables are financial ratios, including Working Capital to Total Assets (X1), Retained Earning to Total Assets (X2), Earning Before Interest and Tax to Total Assets (X3), Total Asset Turn Over (X4), while variables the dependent is the Stock Price (Y), with Growth Opportunity (Z) as a moderating variable. The research was conducted by taking retail trade sector companies listed on the Indonesia Stock Exchange as the object of research. The duration of the study was taken from 2013 to 2017. The conceptual framework can be described in Figure 1.

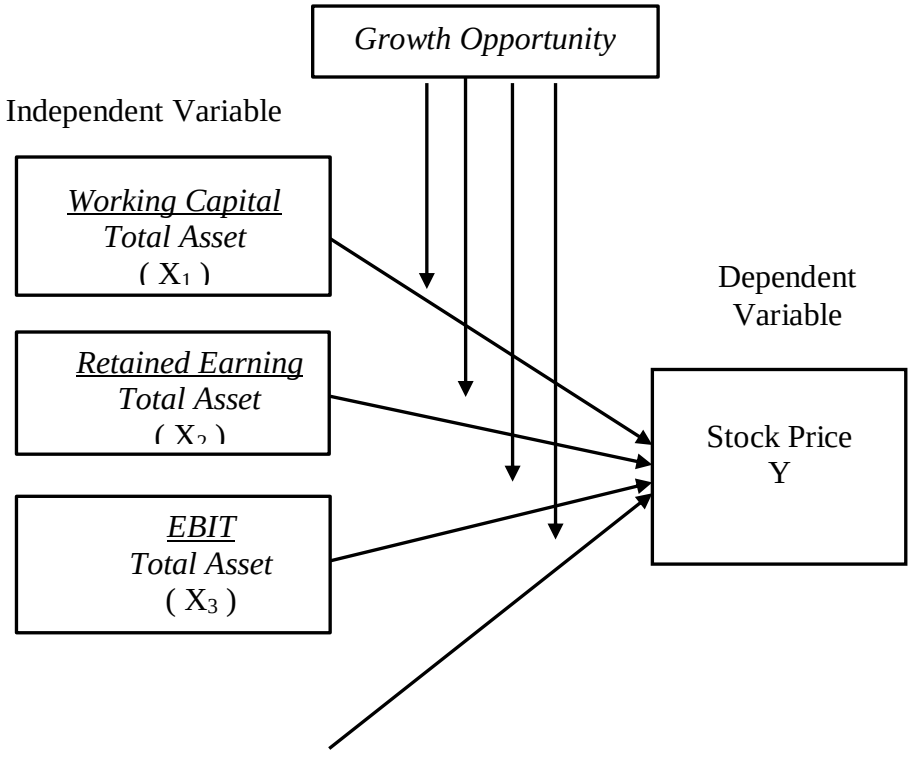
2.6. Hypothesis

Based on the conceptual framework, the research hypothesis is as follows:

H1: Working Capital To Total Assets Ratio, Retained Earning To Total Assets, Earning Before Interest and Tax to Total Assets, Total Asset Turn Over has a significant positive effect on stock prices in retail trade sector companies

H2: Growth Opportunity Ratio can moderate the relationship between Working Capital To Total Assets, Retained Earning To Total Assets, Earning Before Interest and Tax to Total Assets, Total Asset Turn Over to stock prices in retail trade sector companies.

Figure 1. Conceptual Framework



Sales *Total Asset* (X_4)

3. Method

The type of research used in this study is associative - causal research. Associative causal research aims to analyse the relationship between one variable with another variable or how an independent variable affects the dependent variable (Sugiyono, 2016) and identify / test the causal relationship between variables (Erlina, 2011).

The population in this study were retail trade sector companies from 2013 to 2017. The sampling technique used was saturated samples. The population in this study amounted to 26 retail trade sector companies with a period of 5 periods so that there were 130 observations. The data analysis method used in this study uses panel data regression analysis using the Eviews application.

Descriptive statistics are used to provide a description or description of a data that is seen from the mean, standard deviation, maximum and minimum values (Ghozali, 2013). The classic assumption test is the assumption underlying the regression analysis with the aim of measuring associations or attachments between independent variables. There are four tests related to the classic assumption test, namely the normality test of the data, the multicollinearity test, the heteroscedasticity test and the autocorrelation test.

This study uses panel data. Panel data is a combination of time series data (time series) and cross data (cross section) (Widarjono, 2013). There are three models of approaches used to estimate panel data, namely Common Effect, Fixed Effect, and Random Effect models. There are several tests conducted to be able to estimate panel data, namely chow or likelyhood test, haustman test and lagrange multiplier test.

Hypothesis testing is conducted by testing the accuracy of estimates to find out how much the relationship between the independent variables and the dependent variable. Testing the hypothesis in this study using the test coefficient of determination (R^2), Simultaneous Significant Test (F-Test) and Partial Significant Test (T-Test).

4. Result and Discussion

4.1. Result

Based on data obtained from company reports that are used as samples in research from 2013 to 2017 the descriptive statistics in this study can be shown in Table 2 as follows:

Table 2 Descriptive Statistics

Variable	N	Min	Max	Mean	Standard Deviation

Stock Price	95	158	17600	1896.716	3154.454
WCTA	95	-10.64	0.768	-0.277	1.894
RETA	95	-29.083	1.666	-1.118	4.95
EBITTA	95	-10.965	2.253	-0.103	1.56
TATO	95	-0.889	20.425	2.273	2.472
Growth	95	-0.999	177.673	2.033	18.228

The classic assumption test in this study is the normality test, multicollinearity test, heteroscedasticity test and autocorrelation test. The normality test from the probability value of the J-B statistic of 0.071845 is greater than the significance level, which is 0.05. This means that the assumption of normality is fulfilled. To test the multicollinearity of this study, the symptoms of multicollinearity can be seen from the correlation value between the variables contained in the correlation matrix. The results of the multicollinearity test are presented in Table 3.

Table 3 Multicollinearity Test with the Correlation Matrix

	WCTA	RETA	EBITTA	TATO
WCTA	1.000000	0.530354	0.348362	-0.086072
RETA	0.530354	1.000000	0.272522	-0.204004
EBITTA	0.348362	0.272522	1.000000	0.004216
TATO	-0.086072	-0.204004	0.004216	1.000000

Based on Table 3 the results of multicollinearity testing, it can be concluded that there are no symptoms of multicollinearity between independent variables. This is because the correlation value between independent variables is not more than 0.9. In this study the presence or absence of heteroscedasticity can be done by the Breusch-Pagan test which is known from the Obs * R-Squared Prob value is 0.06561> 0.05, which means there is no heteroscedasticity. The autocorrelation test in this study is known from the value of the Durbin-Watson statistic, which is 1,214269. The value is between 1 and 3, which is 1 <1,214269 <3, so the assumption of non-autocorrelation is fulfilled. In other words, there are no symptoms of high residual autocorrelation.

Based on the results of the Chow test, it is known that the probability value is 0,000. Because the probability value is 0,000 <0,05, the estimation model used is the Fixed Effect Model (FEM) model. Furthermore, based on the results of the Hausman test, it is known that the probability value is 0.3244 because the probability value is 0.3244> 0.05, then the estimation model used is the Random Effect Model (REM) model.

Based on the hypothesis testing of the coefficient of determination, it is known that the coefficient of determination (Adjusted R-squared) of R^2 is 0.2079. This value can be interpreted WCTA, RETA, EBITTA, TATO simultaneously or jointly affect the share price of 20.79%, the remaining 79.21% is influenced by other factors. The result of the F test shows the Prob value. (F-statistics), which is 0.000047 0.05, it can be concluded that all independent variables, namely WCTA, RETA, EBITTA, TATO simultaneously have a significant effect on variable stock prices.

Based on the t test, the panel data regression equation is obtained as follows.

$$Y_{t-1} = 6{,}307 - 0{,}108X_{1_{t-1}} + 0{,}126X_{2_{t-1}} - 0{,}158X_{3_{t-1}} + 0{,}286X_{4_{t-1}} + e$$

From the regression equation it can be stated that:

1. The constant α value (6,307) states that if the WCTA (X1), RETA (X2), EBITTA (X3), TATO (X4) free variable is zero, then the Stock Price (Y) is 6.307 units.
2. The regression coefficient of the WCTA (X1) variable is -0.108, which is negative. This means that if the WCTA variable (X1) rises by 1 unit then the Stock Price (Y) tends to decrease by 0.108. It is known that the Prob value is 0.2438, which is> a 0.05 significance level, so WCTA does not have a strong effect on stock prices.
3. The regression coefficient of the RETA variable (X2) is 0.126, which is positive. This means that if the RETA variable (X2) rises by 1 unit then the Stock Price (Y) tends to increase by 0.126. It is known that the Prob value is 0.0562, which is> the 0.05 significance level, then the RETA does not have a strong effect on stock prices.
4. The regression coefficient of the EBITTA (X3) variable is -0.158, which is negative. This means that if the EBITTA variable (X3) rises by 1 unit then the Stock Price (Y) tends to decrease by 0.158. It is known that the Prob value is 0.0037, which is <0.05 significance level, then EBITTA has a strong effect on stock prices.
5. The regression coefficient of the TATO variable (X4) is 0.286, which is positive. This means that if the TATO variable (X4) rises by 1 unit then the Stock Price (Y) tends to increase by 0.286. It is known that the Prob value is 0.0000, which is <0.05 significance level, then TATO has a strong influence on stock prices.

Furthermore, moderation testing is carried out, namely testing whether growth is significant in moderating the influence of WCTA, RETA, EBITTA, TATO on stock prices. Moderation testing is done by using interaction tests.

Table 4 The results of the significance test of growth in moderating the influence of WCTA on stock prices by Interaction Test.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1	0.032706	0.078566	0.416285	0.6782
Z	0.457084	0.188744	2.421710	0.0174
X1Z	0.271472	0.108873	2.493467	**0.0145**
C	6.880250	0.141528	48.61395	0.0000

The Prob value is known. at X1Z is 0.0145, which is <0.05, it is concluded that growth is significant in moderating the influence of WCTA on stock prices.

Table 5 results of the significance test of growth in moderating the effect of RETA on stock prices with interaction tests.

Variable	Coefficient	Std. Error	t-Statistic	Prob.

X2	0.147975	0.053074	2.788091	0.0065
Z	0.543331	0.111115	4.889811	0.0000
X2Z	0.424660	0.084714	5.012875	0**.0000**
C	7.111733	0.112310	63.32237	0.0000

The Prob value is known. at X2Z is 0.0000, which is <0.05, it is concluded that growth is significant in moderating the influence of RETA on stock prices.

Table 6 The significance of growth test results in moderating the effect of EBITTA on stock prices with interaction tests.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X3	-0.079021	0.056706	-1.393522	0.1669
Z	0.008345	0.012322	0.677215	0.5000
X3Z	0.022361	0.011252	1.987205	**0.0499**
C	6.623497	0.154983	42.73680	0.0000

The Prob value is known. at X3Z is 0.0499, which is <0.05, it is concluded that growth is significant in moderating the effect of EBITTA on stock prices.

Table 7 Test results of significance growth in moderating the effect of TATO on stock prices with interaction tests.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X4	0.151660	0.074836	2.026572	0.0456
Z	-0.085335	0.081657	-1.045037	0.2988
X4Z	-0.013689	0.013849	-0.988415	**0.3256**
C	6.728033	0.094305	71.34299	0.0000

The Prob value is known. at X4Z is 0.3256, which is> 0.05, it is concluded that growth is not significant in moderating the effect of TATO on stock prices.

4.2. Discussion

The Effect of the Ratio of Working Capital To Assets on Stock Prices

Based on the test results presented in table 4, the Prob value of the Working Capital to Total Assets ratio is 0.2438, which is> 0.05 indicating the company's ability to generate working capital from the total assets held does not affect stock prices. The results of this test are different from the results of Effendi, Affandi, Sidharta (2016) which states that there is an effect of the Working Capital to Total Assets ratio on stock prices. The results of this test are the same as those of Handojo (2001) who stated that the Working Capital to Total Assets ratio has no effect on stock prices.

The results of this test data show that the Working Capital to Total Assets ratio does not have a strong effect on the stock price of retail trade sector companies listed on

the Indonesia Stock Exchange. It is suspected that high working capital does not necessarily generate high income for retail business sector. One of the factors that determine the amount of working capital is the type and activity of the company. Working capital for service companies is different from their needs with retail trade sector businesses. Service companies generally invest a large portion of their capital into fixed assets while retail trade sector businesses invest more of their capital into current assets. Retail trade sector companies use a large portion of their capital to inventory. The ratio of working capital too large can mean a large amount of inventory and this is detrimental to the retail trade sector. The ratio of working capital is too small means that the company has difficulty covering its short-term debt, meaning that the company is in liquidity difficulties. This makes the ratio of working capital to total assets for retail trade sector companies unable to affect stock prices.

The Effect of Retained Earning to Total Asset Ratio on Stock Prices

Based on the test results presented in table 4, the Prob value of the Retained Earning to Total Asset ratio is 0.0562, which is> 0.05 indicating that the company's ability to generate retained earnings from its total assets does not have a strong effect on stock prices. The results of this test are different from the research of Naryoto (2012) which states that the Retained Earning to Total Asset ratio has a significant effect on stock prices.

Retained earnings are net income held by the company and not shared with shareholders. Retained earnings are used by companies to fund various corporate activities such as business development, debt repayment, and operational activities. The results of this test data states that the ratio of Retained Earning to Total Asset does not have a strong effect on the stock price of retail trade sector companies listed on the Indonesia Stock Exchange. Investors prefer to receive dividends rather than capital gains. Dividends received have a lower risk than capital gains. This is in accordance with the theory of dividend policy in Bird In The Hand, which was introduced by Lintner & Gordon. According to Lintner & Gordon states that the company's own capital costs will rise if the Payout Dividend is low, because investors prefer to receive dividends rather than capital gains. This Bird In The Hand theory is contrary to the Modiglani and Miler (MM) theories. The theory of Modigiani and Miller (MM) states that the value of a company is not determined by the size of the Dividend Payout Ratio, but is determined by pre-tax net income and the company's risk class. According to Modigiani and Miller (MM), the increase in company value is affected by the company's ability to obtain profits or earnings from company assets.

The Effect of Earning Ratios Before Interest and Tax to Total Assets on Stock Prices

Based on the test results presented in Table 4, the Prob value of the ratio of Earning Before Interest and Tax to Total Assets is 0.0037, which is <0.05 significance level, then EBITTA has a strong effect on stock prices. This shows that the ratio of the company's ability to generate profits before interest and tax on assets owned has a strong effect on stock prices. The results of this test are the same as

those of Handojo (2001), Naryoto (2012) and Effendi, Affandi, Sidharta (2016), which states that there is an effect of Earning Before Interest and Tax to Total Asset ratio on stock prices.

The results of this test data processing states that the ratio of Earning Before Interest and Tax to Total Asset has a significant effect on the stock price of retail trade sector companies listed on the Indonesia Stock Exchange. The results of this data show that investors for retail trade sector business pay attention to the amount of profit before interest and taxes generated from the overall assets owned by the company. Profit Before Interest and Tax with Total Assets ratio shows the actual productivity of assets owned by the company. This ratio measures the ability of capital invested in company assets to generate profits for investors. A high EBIT / TA ratio shows that company management in managing company assets well so that the company earns high profits.

The Effect of the Ratio of Total Asset Turn Over on Stock Prices

Based on the test results presented in Table 4 the value of the Prob Over Turn Asset Total ratio is 0.0000, which is <0.05 significance level, the Total Asset Turn Over has a strong influence on the stock price of retail trade sector companies listed on the Indonesia Stock Exchange. The results of this study are similar to the results of Effendi, Affandi, Sidharta (2016) which states that there is an effect of the ratio of Total Asset Turn Over to stock prices and is different from the results of research by Azhari, Rahayu, Zahroh (2016) which states that Total Asset Turnover has no effect on stock price.

The results of this test data processing state that the ratio of Total Asset Turnover has a significant effect on the stock price of retail trade sector companies listed on the Indonesia Stock Exchange. The ratio of the results of sales to total assets shows the efficiency of management in using company assets in generating sales and earning profits. For retail trade sector companies asset turnover plays an important role in generating income. High inventory asset turnover is more profitable than low inventory asset turnover. Investors will prefer retail sector companies that have high inventory asset turnover than companies with low inventory assets turnover. Low value of Total Turnover Asset ratio shows that the assets of the company are too large compared to the ability to generate sales.

The Effect of Growth Opportunity as a Moderating Variable

From the results of the Moderated Regression Analysis (MRA) interaction test, it can be seen that:

1. The Growth Opportunity is able to moderate the relationship between the Working Capital to Total Asset ratio to stock prices. Companies that have high sales growth, the company requires additional working capital to make a substantial investment in assets where there is an increase in assets for the year compared to last year. This increase in assets cannot affect stock prices for retail trade companies if the company is not effective in its use. Sales growth that comes from sales on risk credit raises uncollectible accounts for the company in the future. Investors pay more attention to activity ratios or asset turnover which increases the chances of companies earning income

rather than adding assets. This reinforces the absence of the effect of the relationship between the Working Capital to Total Asset ratio to stock prices.

2. Growth Opportunity is able to moderate the relationship between the ratio of Retained Earning to Total Asset to stock prices. Companies that have an increase in the growth ratio means that they are predicted to experience business growth in the future. Business growth increases the possibility of a company's ability to generate retained earnings. The greater retained earnings generated increase the chances of the company to maintain its business. The Growth Opportunity ratio can strengthen the relationship of the RETA ratio to stock prices.
3. Growth Opportunity is able to moderate the relationship between Earning Before Interest and Tax to Total Asset ratio to stock prices. Companies that have a high Growth Opportunity tend to choose to reduce debt by issuing new shares for additional capital because they can take advantage of the investments that have been made. Conversely, companies with low Growth Opportunity prefer debt as additional capital. Profit before interest and tax do not reflect the net business results received by the company because they have not been reduced by interest on loans and taxes. This makes the Growth Opportunity able to moderate the relationship between the Earning Before Interest and Tax to Total Asset ratios to stock prices.
4. Growth Opportunity cannot moderate the relationship between the ratio of Total Asset Turn Over to stock prices. Companies that experience growth growth opportunities mean that they have a considerable investment value, especially in fixed assets. Results Investment in fixed assets cannot directly increase revenue, it takes a longer time to increase sales. Investors tend to pay more attention to asset turnover, especially inventory, which will increase revenue directly. This results in growth opportunity not being able to moderate the relationship between the TATO ratio and stock prices.

5. Conclusion and Suggestion

5.1. Conclusion

Based on the results of research and hypothesis testing that has been done, some conclusions can be taken as follows:

1. The Working Capital to Total Asset ratio negatively influences not significantly on stock prices.
2. Retained Earning to Total Asset ratio has positive and not significant effect on stock prices.
3. The ratio of Earning Before Interest and Tax to Total Asset has a significant negative effect on stock prices.
4. The ratio of Total Asset Turn Over has a significant positive effect on stock prices.
5. The growth opportunity ratio can moderate the relationship between the Working Capital to Total Asset ratio to stock prices.
6. The growth opportunity ratio can moderate the relationship between the ratio of Retained Earning to Total Asset to stock prices.

7. The growth opportunity ratio can moderate the relationship between the Earning Before Interest and Tax to Total Asset ratios to stock prices.
8. The growth opportunity ratio cannot moderate the relationship between the ratio of Total Assets Turn Over to stock prices.

5.2. Suggestion

1. The next researcher is advised to conduct research on companies other than the retail trade sector on the Indonesia Stock Exchange because in this study the scope is only retail trade sector companies.
2. For researchers then it is recommended that the period of research be extended for more than 5 years in order to get more generalized results.
3. For the next researcher, it is suggested not to use the Earning Before Interest and Tax to Total Asset ratio variables, because Earning Before Interest and Tax to Total Assets certainly affect stock prices, this is because investors pay attention to the company's ability to generate profits.

REFERENCES

Abdullah, M.N., Parvez, K., Karim, T., & Tooheen, R.B. 2015. The Impact of Financial Leverage and Market Size on Stock Returns on the Dhaka Stock Exchange: Evidence from Selected Stocks in the Manufacturing Sector. *International Journal of Economics, Finance, and Management Sciences*.

Ajija, Shochrul R. 2011. *Smart Ways to Master Eviews*. Jakarta: Salemba Empat.

Ang, Robert. 1997. *The Smart Guide to Indonesian Capital Market*. Jakarta: Mediasoft Indonesia.

Anthony and Govindarajan. 2005. *Management Control System*. Jakarta: Salemba Empat.

Arifin, A., 2001. *Reading Shares*. Yogyakarta: Andi.

Asif, A., Rasool, W., & Kamal, Y. 2011. Impact of Financial Leverage on Dividend Policy: Empirical Evidence from Karachi Stock Exchange listed Companies. *African Journal of Business Management*, 5 (4): 1312-1324.

Awad, B. 2015. Determinants of Dividend Policy in Kuwait Stock Exchange. International. *Journal of Business and Management Review*. 3 (7): 72-78.

Azhari, Rahayu, Zahroh, Effect of ROE, DER, TATO, and PER on Stock Prices of Property Companies and Real Estate that Go Public on the Indonesia Stock Exchange, *Journal of Business Administration (JAB)* Vol. 32 No. March 2, 2016

Brigham, Eugene and Joel F. Houston. 2009. *Fundamentals of Financial Management, 12th edition*. Mason: South-Western Cengage Leaning.

Darmadji T. and Hendy M. Fakhruddin. 2001. *Capital Markets in Indonesia*. Jakarta: Salemba Empat.

Deitiana, T. 2011. Effect of Financial Ratios, Sales Growth, and Dividends on Stock Prices. *Business Journal and Accounting*. Vol 1. No 1. Matters: 57-66.

Erlina, 2011. *Research Methodology*. USU Press.

Efendi, Azhar Affandi, Iwan Sidharta, Analysis of the Effect of the Springate Model Financial Ratio on Stock Prices in Telecommunications Sector Public Companies. *Journal of Economics, Business & Entrepreneurship* Vol. 10, No. 1, April 2016, 1-16.

Fachrudin, Khaira Amalia. 2011. Analysis of Financial Difficulties of Companies - Studies on Manufacturing Companies Listed on the Jakarta Stock Exchange. Year 1995-2005, Dissertation, Postgraduate Program, Faculty of Economics. *Brawijaya University*. Poor

Firth, Michael. 2008. Leverage and invest in a state-owned bank lending environment: evidence from China. *Journal of Corporate Finance*, No.14, pp. 642-653.

Ghozali, Imam. 2013. *Application of Multivariate Analysis with the SPSS Program. Edition 7.* Semarang: Diponegoro University.

Gordon, M.J. 1959. Dividends, Earnings, and Stock Prices. *The Review of Economics and Statistics*, 41 (2).

Gordon, M.J. 1959. Dividends, Earnings, and Stock Prices. *The Review of Economics and Statistics*, 41 (2): 99-105.

Hadi, N. 2015. *Capital Markets*. Yogyakarta: Graha Ilmu.

Husnan, Suad and Enny Pudjiastuti. 2012. *Fundamentals of Financial Management. Sixth Edition. First print.* Yogyakarta: UPP STIM YPKN.

Irawati, Susan. 2005. *Financial Management*. Library. Bandung.

Irham, F. 2011. *Analysis of Financial Statements*. Bandung. Alfabeta

Irham, F. 2013. *Introduction to Financial Management Theory and Question Answer*. Bandung. Alfabeta

Jensen, M.C. & Meckling, W.H. 1976. Theory of The Firm: Managerial Behavior, Agency Costs, and Ownership Structure. *Journal of Financial Economics*, 3 (4): 305-360.

Jumingan.2006. *Financial Statement Analysis*. Bumi Aksara. Jakarta.

Jogiyanto, H. M. 2007. *Portfolio Theory and Investment Analysis*. Yogyakarta: BPFE.

Cashmere. 2015. *Analysis of Financial Statements*. Jakarta: PT Raja Grafindo Persada.

Keown, A.J., Scott, D.F., Martin, J.D., & Petty, J.W. 2008. *Fundamentals of Financial Management*. Jakarta: Salemba Empat.

Kohansal, M.R., Dadrasmoghadam, A., Karmozdi, K.M., & Mohseni, A. 2013. Relationship between Financial Ratios and Stock Prices for Food Industry Firms in Stock Exchange of Iran. *World Applied Programming*, 3 (10): 512-521.

Kuncoro, Mudrajad, 2003. *Research Methods for Business & Economics*. Jakarta: Erlangga.

L. M. Samryn, 2011, *Introduction to Accounting, First Edition*. Publisher Raja Grafindo Persada, Jakarta

Mulyadi. 2010. *Management Accounting. Third Edition*. Jakarta: Salemba Empat.

Rahardjo, Budi. 2007. *Finance and Accounting for Non-Financial Managers*. First edition. Yogyakarta: Graha Ilmu.

Riyanto, B. 2011. *Fundamentals of Corporate Learning*. Yogyakarta: BPFE.

Ross, S.A. 1977. The Determination of Financial Structure: The Incentive Signaling Approach. *The Bell Journal of Economics,* 8 (1).

S. Munawir. 2010. *Analysis of Financial Statements*. Yogyakarta: Liberty.

Sanusi, Anwar. 2011. *Business Research Methodology. (Edition of Third)*. Jakarta: Salemba Empat.

Sugiyono, (2008). *Quantitative, Qualitative and R & D Research Methods*. Bandung: Alfabeta

Sutrisno. 2009. *Financial Management Theory, Concepts, and Applications*. Yogyakarta: Ekonisia.

Syamsuddin, L. 2009. *Corporate Financial Management. Seventh Mold*. Jakarta: Rajawali Press.

Tampubolon, Dr. Manahan P., 2004. *Operations Management*. Jakarta: Ghalia Indonesia.

Ullah, I. & Shah, A. 2014. The Effect of Capital Structure on Abnormal Stock Returns: Evidence from Pakistan. *Business & Economic Review,* 6 (1): 1-18

Weston, J. Fred and Copeland, Thomas E., (2008). *Financial Management*. Translator: A. Jaka Wasana, Binarupa Aksara, Jakarta.

www. idx.co.id.