THE EFFECT OF EARNING PER SHARE, PRICE EARNING RATIO, DEBT TO EQUITY RATIO AND CURRENT RATIO ON STOCK PRICE OF MINING COMPANY LISTED IN INDONESIA STOCK EXCHANGE (IDX) 2018-2021

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ABSTRACT

This study aims to test hypotheses and examine the impact of Price Earning Ratio, Earnings Per Share, Debt to Equity Ratio, and Current Ratio on the stock prices of Mining Companies Listed on the IDX in 2018–2021. This study adopted a quantitative methodology and employed a sample technique that included up to 39 samples from 52 firm populations. The findings showed that the stock prices of mining businesses are significantly and positively impacted by EPS, PER, DER, and CR at the same time. While PER has no effect and no major impact on stock prices, EPS and CR have a partly positive and substantial impact, while DER has a partial negative and large impact on stock prices in mining companies listed on the IDX in 2018-2021.

Keywords : Earning Per Share; Price Earning Ratio; Debt to Equity Ratio; Current Ratio; Stock Price

INTRODUCTION

In today's world, investment is not foreign to the ears of the public, both among individuals, groups, and organizations. It is important to make an investment early on as a preparation to face financial problems, both expected and unexpected in the future. One type of investment is stocks. Stock is the type of investment with the best return. Many investors choose stocks as their investment product in the capital market. Company shares that are sold to the general public are shares that are traded in stock trading with investors. The Indonesia Stock Exchange (IDX) is a stock exchange that regulates the buying and selling of shares in Indonesia.

The mining sector in Indonesia is still a viable place for investors to invest because this industry continues to grow from year to year. We can use company performance measurement tools including its financial statements to assess whether a company is stable or not. You can see the ratios in the financial statements of the company by analyzing them. Earning Per Share, Price Earning Ratio, Debt to Equity Ratio, and Current Ratio are these ratios.

Referring to Table I.1 it can be seen that the Net Profit in 2020 increased by 46.40% from 2019 at PT. VALE INDONESIA Tbk., while the Share Price in 2020

increased by 40.10% from 2019. Net Profit in 2020 increased by 492.90% from 2019 at PT. ANEKA TAMBANG Tbk., while the Share Price in 2020 increased by 130.35% from 2019. Net Profit in 2020 increased by 204.02% from 2019 at PT. HARUM ENERGY Tbk., while the stock price in 2020 rose by 125.75% from 2019.

Total Debt in 2019 decreased by 15.36% from 2018 at PT. VALE INDONESIA Tbk., while the Share Price in 2019 increased by 11.65% from 2018. Total Debt in 2019 decreased by 12.26% from 2018 at PT. ANEKA TAMBANG Tbk., while the Share Price in 2019 increased by 9.80% from 2018. Total Debt in 2020 decreased by 6.04% from 2019 at PT. HARUM ENERGY Tbk., while the stock price in 2020 increased by 125.75% from 2019.

Current Assets in 2020 increased by 20.03% from 2019 at PT. VALE INDONESIA Tbk., while the Share Price in 2020 increased by 40.10% from 2019. Current Assets in 2020 increased by 19.37% from 2019 at PT. ANEKA TAMBANG Tbk., while the Share Price in 2020 increased by 130.35% from 2019. Current Assets in 2019 decreased by 12.25% from 2018 at PT. HARUM ENERGY Tbk., while the Share Price in 2019 decreased by 5.71% from 2018.

LITERATURE REVIEW

Earning Per Share

A ratio known as "Earnings Per Share" (EPS) measures how much money a corporation may make from each share it has outstanding (Darmadji & Fakhrudin, 2012) . The greater the EPS number, the greater the shareholder net profit. With the increase in net profit will provide large profits for shareholders, so investors are interested in investing in shares. The price of the company's stock will rise as demand for shares rises. Consequently, EPS has a positive impact on stock prices.

Price Earning Ratio

A stock performance measure known as the "Price Earning Ratio (PER)" compares the stock market price to the profits per share. (Sugiono & Edi Untung, 2016). A high PER indicates high investor confidence to invest in the company in order to earn a profit. As the PER value increases, the demand for shares will also increase and will increase the share price. Therefore, the impact of PER on stock prices is positive.

Debt to Equity Ratio

According to (Kasmir, 2016), "DER value is expressed by dividing total debt by total shareholder equity value. The higher the DER, the greater the total debt to the total capital made by the company to outside parties (creditors). The existence of this dependence causes a high level of company risk." DER compares foreign capital and own capital. The high dependence of the company in the use of foreign capital thus the company will be burdened and its load will grow. Of course, investors' interest in stocks will decrease and the stock price will decrease while the DER value will increase. So this illustrates that DER has a negative relationship to stock prices.

Current Ratio

The capacity of the business to pay off short-term debt when fully billed is gauged by the Current Ratio (Kasmir, 2016). The quantity of current assets that may be used to pay current liabilities is indicated by the size of the company's CR. Because this demonstrates the company's capacity to satisfy its operational demands, a company's share price rises the higher its CR. On the other hand, if the company's CR is low, it cannot raise the stock price. CR thus has a positive correlation with stock prices.

Stock Price

The purpose of the company selling its shares to get funds that will be used to develop its business, and for investors is to get income from their capital. In capital market activities, stock price is one of the most important factors because it shows directly the condition and performance of a company so that investors must be careful in determining and making investments. The performance of the firm is reflected in the movement of stock prices. The profit made from business operations will be considerably more if the company performs well.

RESEARCH METHODS

Method is a method of work that can be used to obtain something. While the research method can be interpreted as a work procedure in the research process, both in searching for data or disclosing existing phenomena (Zulkarnaen, W., et al., 2020). A quantitative methodology was used to carry out this study. The information utilized is secondary information in the EPS, PER, DER, and CR formats, data obtained from financial statements that have been registered on the Indonesia Stock Exchange and data

registered with Bank Indonesia. Sources of data obtained by the study of documentation and the research method adopted is descriptive.

The study's populations is made up entirely of mining companies, as many as 52 companies listed on the Indonesia Stock Exchange website through the internet with the site www.idx.co.id and company listing site www.investnesia.com during the period 2018-2021. In order to obtain the sample, the researcher used a *purposive sampling technique* by deciding on 3 predetermined criteria, obtained as many as 39 companies with 156 observations. The complete data can be seen in Table II.1.

RESEARCH RESULTS AND DISCUSSION

Descriptive Statistics

From table III.1's data calculation findings allow for the explanation that:

1. The EPS variable has a total sample of 156, with a minimum value of 0.22 at PT. Perdana Karya Perkasa Tbk. (PKPK) in 2020 and a maximum value of 382.23 at PT. Baramulti Suksessarana Tbk. (BSSR) in 2018, while the average value (mean) is 51.1630 with a standard deviation (standard deviation) of 66.30940.

2. The PER variable has 156 samples, with a minimum value of 0.19 at PT. SMR Utama Tbk. (SMRU) in 2020 and a maximum value of 526.56 at PT. Super Energy Tbk. (SURE) in 2019, while the average value (mean) is 33.4319 with a standard deviation (standard deviation) of 62.39773.

3. The DER variable has a total sample of 156, with a minimum value of 0.10 at PT. Harum Energy Tbk. (HRUM) in 2020 and a maximum value of 57.16 at PT. Capitalinc Investment Tbk. (MTFN) in 2019, while the average value (mean) is 3.0512 with a standard deviation (standard deviation) of 6.98264.

4. The CR variable has a total sample of 156, with a minimum value of 0.11 at PT. Super Energy Tbk. (SURE) in 2018 and a maximum value of 10.07 at PT. Harum Energy Tbk. (HRUM) in 2020, while the average value (mean) is 1.8166 with a standard deviation (standard deviation) of 1.65595.

5. The Stock Price variable has a total sample of 156, with a minimum value of 47 at PT. Bumi Resources Minerals Tbk. (BRMS) in 2018 and a maximum value of 19875 at PT. Bayan Resources Tbk. (BYAN) in 2018, while the average value (mean) is 1803.58 with a standard deviation (standard deviation) of 3319,692.

Classical Assumption

Normality Test

When performing the normality test, it is necessary to ascertain if the residual value is normally distributed or not.

After data transformation, from the test results Table III.2 shows the *Asymp value. Sig. (2-tailed)* of 0.140 is greater than 0.05 so it is said that the *Kolmogorov-Smirnov* has a normal distribution. In Figure III.1 shows a bell-shaped curve and does not deviate to the right or left so that it can be concluded that the data is normally distributed. Figure III.2 also shows that the pattern of dots is scattered and shows a diagonal line demonstrating the normal distribution of the data.

Multicollinearity

The goal of the multicollinearity test is to demonstrate the existence of a correlation among the independent variables in a linear regression model.

According to Table III.3, the results of the multicollinearity test demonstrate that the tolerance values of the independent variables, EPS, PER, DER, and CR, are above 0.10, specifically 0.876, 0.928, 0.937, and 0.886, and the value of the variance inflation factor (VIF), which is below 10 is 1.142, 1.077, 1,067, and 1,129. Therefore, it can be said that this study did not discover multicollinearity after transforming the data.

Autocorrelation Test

To demonstrate if the confounding factors and the prior variables are correlated, the autocorrelation test is utilized. In this study, the Durbin-Watson value was used to perform the autocorrelation test.

Based on the results of the autocorrelation test in Table III.4, the Durbin-Watson value was obtained at 0.780. This number is between -2 to +2 which means that after data transformation there is no autocorrelation problem.

Heteroscedasticity Test

The purpose of the heteroscedasticity test is to determine a similarity between the variances of the residuals of all views in a model regression model is characterized by the absence of heteroscedasticity symptoms.

From Table III.5 can be seen that the value of R^2 (R square) is 0.033. With the formula c2 count = nx R2, the number c2 count = 156 x 0.033 is equal to 5.148. By

testing if c2 count < c2 table that is 5.148 < 7,815 then the existence of heteroscedasticity in the model is rejected.

In *Scatterplot* Figure III.3 shows the points are spread out and do not overlap between the locations on the vertical (Y) axis that are above and below the number 0 so that in this case there is no heteroscedasticity.

Data Analysis Model

Results of Multiple Linear Analysis

From the research data in Table III.6 in the *Unstandardized Coefficients* part B, the following multiple linear regression equation is obtained:

Stock Price: 5.742 + 0.007 EPS + 0.003 PER – 0.060 DER + 0.184 CR

Explanation of the regression equation above are in the form of:

1. The constant value of 5.742 means that the variables EPS , PER, DER, and CR are considered zero or constant, so the stock price is 5.742.

2. The value of the EPS variable of 0.007 means that every increase in the EPS variable is 1 unit, so that the value of the stock price results in an increase of 0.007.

3. The value of the PER variable of 0.003 means that every increase in the PER variable is 1 unit, so that the value of the stock price results in an increase of 0.003.

4. The DER variable value of -0.060 means that every increase in the DER variable is 1 unit, so the value of the stock price results in a decrease of 0.060.

5. The value of the CR variable of 0.184 means that every increase in the CR variable is 1 unit, so that the value of the stock price results in an increase of 0.184.

Coefficient of Determination

The coefficient of determination is used to measure how well an independent variable can account for a dependent variable.

As may be seen in table III.7, the corrected R square is 0.216, or 21.6%. Variations of the four independent variables, EPS, PER, DER, and CR, may be used to interpret 21.6% of stock prices. Meanwhile, 78.4% was explained by other factors which were not studied.

F Test Results

The F test results shown in table III.8 illustrate that the calculated F value is 11.667 > F table 2.43. With a significant value of 0.000<0.05, the fifth hypothesis is accepted, indicating that the IDX stock prices for mining firms in the years 2018–2021

are significantly positively impacted by Earnings Per Share (EPS), Price Earning Ratio (PER), Debt to Equity Ratio (DER), and Current Ratio (CR).

T-Test Results

Based on the partial test results in Table III.9, it is known that the value of df = 156 – 5 = 151 obtained the value of ttable = 1.975 in sig. = 0.05 and the tcount and significance values for the independent variables, namely:

1. The first variable, namely EPS, has a tcount value of 3.778 > ttable 1.975 and a significant value of 0.000 <0.05, therefore the first hypothesis is obtained, EPS is significant and positive effect on the Stock Price.

2. The second variable, namely PER, has a tcount of 1.550 < ttable 1.975 and a significant value of 0.123 > 0.05, therefore the second hypothesis is rejected, meaning that PER has no effect and is not significant on stock prices.

3. The third variable, namely DER, has a tcount of -3.524 < ttable -1.975 and a significant value of 0.001 <0.05, therefore the third hypothesis is obtained, namely DER is significant and has a negative effect on stock prices.

4. The fourth variable, namely CR has a tcount value of 2.514 > ttable 1.975 and a significant value of 0.013 <0.05, therefore the fourth hypothesis is obtained, namely CR is significant and has a positive effect on stock prices.

Discussion of Research Results

The Effect of EPS (*Earning Per Share*) on Stock Prices

The value of tcount 3.778 > ttable 1.975 and a significant value of 0.000 < 0.05 from the results of testing the first hypothesis lead to the conclusion that hypothesis one is approved, meaning that EPS is positive and has a significant impact on stock prices in mining companies listed on the Indonesia Stock Exchange in 2018–2021. The findings of this research agree with findings from another study (Santy, 2017) showing Earnings Per Share affects stock prices.

The Effect of PER (*Price Earning Ratio*) on Stock Prices

The value of tcount 1.550 < ttable 1.975 and a significant value of 0.123 > 0.05 from the results of testing the second hypothesis show that the second hypothesis is rejected and that PER is not significant or influential for share prices in mining companies listed on the IDX in the years 2018 to 2021. The findings of this study are

consistent with those of **(Hermawanti & Hidayat , 2016)** , who found that the Price Earning Ratio is not significant to stock prices.

The Effect of DER (*Debt to Equity Ratio*) on Stock Prices

The third hypothesis is approved based on the results of testing it, which show a tcount value of -3.524 < -ttable -1.975 and a significant value of 0.001 < 0.05, indicating that DER has a negative and significant impact on the stock prices of mining companies listed on the Indonesia Stock Exchange in the years 2018-2021. The study's findings are consistent with studies **(Nugraha & Sudaryanto, 2016)** that shows the Debt to Equity Ratio is significant and negative on stock prices.

The Effect of CR (*Current Ratio*) on Stock Prices

Based on results of the fourth hypothesis test indicates the value of tcount 2,514 > ttable 1,975 and a significant value.worth 0.013 < 0.05, and it can be interpreted that the fourth hypothesis is approved, which means that CR is positive and has a significant effect on share prices in mining companies listed on the IDX in 2018-2021. The findings of this study are consistent with studies (Sriwahyuni & Saputra , 2015) that demonstrates the *Current Ratio* is significant to stock prices.

CONCLUSION AND SUGGESTION

Conclusion

Based on the findings of the data analysis and discussion, it is possible to draw the following conclusions: (1) Partially, *Earning per share* has a positive and significant effect on share prices in mining companies listed on the IDX in 2018-2021. (2) Partially, *Price Earning Ratio* has no effect and no significant effect on the stock price of mining companies listed on the IDX in 2018-2021. (3) Partially, the *Debt to Equity Ratio* has a negative and significant effect on the stock price of mining companies listed on the IDX in 2018-2021. (4) Partially, *Current Ratio* has a positive and significant effect on share prices in mining companies listed on the IDX in 2018-2021. (5) Simultaneously, *Earning Per share, Price Earning Ratio, Debt to Equity Ratio*, and *Current Ratio* have a positive and significant effect on stock prices in mining companies listed on the Indonesia Stock Exchange in 2018-2021.

Suggestion

For the next researcher, it is hoped that other financial ratio variables such as *Return on Investment, Total Asset Turnover, Quick Ratio,* and so on. For Prima

Indonesia University, The findings of this study could perhaps improve the library with additional references for future researchers. For investors, it is recommended to pay more attention to the *Earning Per Share, Price Earning Ratio, Debt to Equity Ratio,* and *Current Ratio* that significantly influence stock prices before making a decision to invest in the company.

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FIGURES AND TABLES

Table I.1

Nama Perusahaan	Tahun	LABA BERSIH	TOTAL HUTANG	AKTIVA LANCAR	Harga Saham
PT. VALE INDONESIA Tbk.	2018	876,274,272	4,615,456,725	9,137,482,038	3,260
	2019	797,917,400	3,906,111,495	8,178,139,013	3,640
	2020	1,168,161,995	4,150,678,350	9,816,685,060	5,100
	2021	852,161,856	4,211,638,848	10,579,151,808	4,610
PT. ANEKA TAMBANG Tbk.	2018	1,636,002,591	13,746,984,554	7,342,040,979	765
	2019	193,852,031	12,061,488,555	7,665,239,260	840
	2020	1,149,353,693	12,690,063,970	9,150,514,439	1,935
	2021	1,160,421,740	12,454,835,706	9,909,264,758	2,460
PT. HARUM ENERGY Tbk.	2018	582,214,715,982	1,151,274,312,324	4,500,135,094,869	1,400
	2019	279,724,109,689	659,163,748,341	4,008,908,069,405	1,320
	2020	850,423,103,075	619,288,459,790	3,518,574,369,310	2,980
	2021	276,621,384,096	2,117,073,669,024	2,740,060,244,736	5,073

Table II.1

No	Kriteria	Jumlah Perusahaan
1	Perusahaan sektor pertambangan yang terdaftar di BEI pada periode 2018-2021.	52
2	Perusahaan sektor pertambangan yang tidak terdaftar berturut-turut (delisting) di BEI pada periode 2018-2021.	(4)
3	Perusahaan yang tidak mempublikasikan laporan keuangannya di situs BEI secara rutin pada 2018-2021.	(9)
	Jumlah perusahaan yang memenuhi kriteria sampel	39
	Total sampel selama periode berjalan (39 x 4)	156

Table III.1

Descriptive Statistics Table

	N	Minimum	Maximum	Mean	Std. Deviation
EPS	156	.22	382.23	51.1630	66.30940
PER	156	.19	526.56	33.4319	62.39773
DER	156	.10	57.16	3.0512	6.98264
CR	156	.11	10.07	1.8166	1.65595
HARGA SAHAM	156	47	19875	1803.58	3319.692
Valid N (listwise)	156				

Table III.2 One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		156
Normal Parameters[a]	Mean	.0000000
	Std. Deviation	1.40308368
Most Extreme Differences	Absolute	.092
	Positive	.092
	Negative	-.042
Kolmogorov-Smirnov Z		1.153
Asymp. Sig. (2-tailed)		.140

a. Test distribution is Normal.
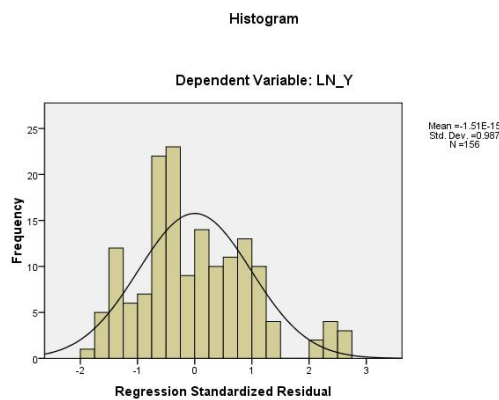
Figure III.1 Histogram Graph Normality Test Result

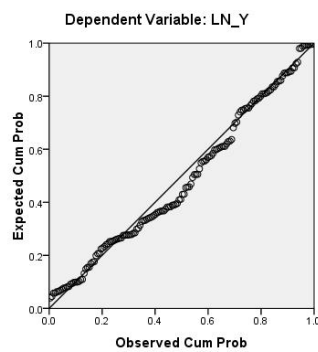Figure III.2 Probability Plot Normality Test Result

Table III.3 Multicollinearity Test Result

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	5.742	.209		27.417	.000		
EPS	.007	.002	.287	3.778	.000	.876	1.142
PER	.003	.002	.114	1.550	.123	.928	1.077
DER	-.060	.017	-.259	-3.524	.001	.937	1.067
CR	.184	.073	.190	2.514	.013	.886	1.129

a. Dependent Variable: LN_Y

Table III.4 Autocorrelation Test Result

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.486[a]	.236	.216	1.42155	.780

a. Predictors: (Constant), CR, PER, DER, EPS

b. Dependent Variable: LN_Y

Table III.5 Heteroscedasticity Test Result with White Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.182[a]	.033	.007	4.02968E7

a. Predictors: (Constant), CR, PER, DER, EPS

b. Dependent Variable: Res2

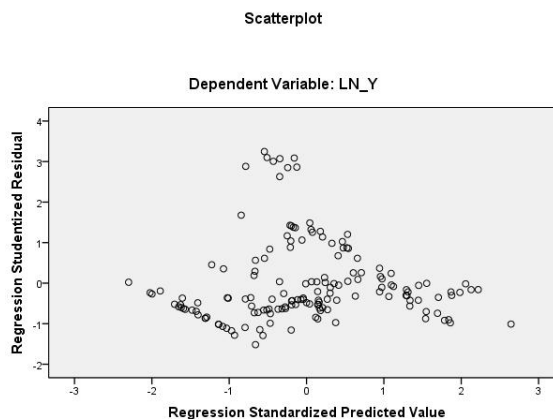Figure III.3 Heteroscedasticity Test ResultThrough Scatterplot Graph

Table III.6 Multiple Linear Analysis Result

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.742	.209		27.417	.000
	EPS	.007	.002	.287	3.778	.000
	PER	.003	.002	.114	1.550	.123
	DER	-.060	.017	-.259	-3.524	.001
	CR	.184	.073	.190	2.514	.013

a. Dependent Variable: LN_Y

Table III.7 Coefficient of Determination Test Result

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.486[a]	.236	.216	1.42155

a. Predictors: (Constant), CR, PER, DER, EPS

b. Dependent Variable: LN_Y

Table III.8 F Test Result

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	94.309	4	23.577	11.667	.000[a]
	Residual	305.140	151	2.021		
	Total	399.449	155			

a. Predictors: (Constant), CR, PER, DER, EPS

b. Dependent Variable: LN_Y

Table III.9 T-Test Result

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.742	.209		27.417	.000
	EPS	.007	.002	.287	3.778	.000
	PER	.003	.002	.114	1.550	.123
	DER	-.060	.017	-.259	-3.524	.001
	CR	.184	.073	.190	2.514	.013

a. Dependent Variable: LN_Y