EARNINGS PER SHARE AND EARNINGS PER SHARE AND STOCK REMEDIES ON STOCK FINANCIAL RESPONSIBILITY COMPANY LISTED IN INDONESIA STOCK EXCHANGE DATE 31 MARCH 2017 FOR THE PERIOD 3 (THREE) MONTHS

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ABSTRAK

Penelitian ini bertujuan untuk menguji pengaruh earnings per share dan manajemen laba terhadap return saham pada perusahaan jasa keuangan milik BUMN yang terdaftar dibursa efek Indonesia pada tanggal 31 Maret 2017 untuk periode 3 (tiga) bulan. Metode pengambilan sampel menggunakan metode purposive sampling, yaitu menggunakan sampel dengan pertimbangan – pertimbangan tertentu , perusahaan jasa keuangan yang menerbitkan laporan keuangan pada tanggal 31 maret untuk periode 3 (tiga) bulan. Sampel yang digunakan adalah 4 perusahaan jasa keuangan milik BUMN. Metode analisis yang digunakan yaitu analisis regresi linier berganda. Hasil hipotesis 1, secara simultan EPS dan Manajemen Laba berpengaruh signifikan terhadap Return Saham. Hipotesis 2 & 3 , Penelitian ini menghasilkan secara empiris, berlawanan secara parsial tidak berpengaruh yang signifikan dari Manajemen Laba dan EPS terhadap Return saham.

Kata Kunci: *Earnings Per Share,* Manajemen laba, *Return* saham

This study aims to examine the effect of earnings per share and earnings management on stock returns on state-owned financial services companies listed under Indonesian securities on March 31, 2017 for a period of 3 (three) months. Sampling method using purposive sampling method, that is using sample with certain considerations, financial service company which publish financial statement on 31 March for period of 3 (three) months. The sample used is 4 state-owned financial services companies. The analysis method used is multiple linear regression analysis. The results of hypothesis 1, simultaneously EPS and Profit Management significantly influence the Stock Return. Hypotheses 2 & 3, This study yields empirically, partially opposite no significant effect of Earnings Management and EPS on Return of stock.

Kata Kunci: *Earnings Per Share,* Profit Management, *Return* saham

Background

The financial statements are records of a company's financial information in an accounting period that can be used to describe the performance. The financial statements are also part of the financial reporting process. Information Such information is required by an external party with an interest in the company, where one of the parameters in the financial statements is used to measure the performance of management and profit within the company. (SAK 2015, par 12) says that the financial statements aim to provide ginformations that include the financial position, performance, and changes in the financial position of a company that benefit a large number of users in making economic decisions. Financial reporting is the responsibility of the management company to the party concerned both internally and externally. Briefly it can be explained that the greater the value of EPS will of course please shareholders, as the greater the profit provided to shareholders. In general, in investing capital, investors expect the benefits to be generated in the form of profit share (EPS). While earnings per share distributed to investors depends on company policy in terms of dividend payout. Earnings per share can indicate the level of welfare of the company, so if the earnings per share that is distributed by investors is high then indicates that the company is able to provide a good level of welfare shareholder, while earnings distributed per low share indicates that the company fails to provide benefits as expected by the shareholders. Associated with the tendency of firms to report greater profits, investors tend to be more concerned with profit information regardless of how the process used to achieve the level of profit (Kristanto, 2015). Research on the influence of Earning Per Share and Profit Management on Stock Return conducted by (J.C. Antula., P Van Rate, RL Samadi, 2017) found that the results of partial research have no significant effect of Earnings Management and Earning Per Share against Stock Return. Given the vast evidence of the existence of Earning Per Share and Profit Management, this study examines the extent to which Earning Per Share and Profit Management affect Opersai's performance and its financial implications on Stock Returns. The extent to which the impacts of the various Profit Management activities on the financial statements in the company and the impact of the Return of Shares that have not been discussed much diliteratur previously. Thus the problem of this research is to analyze the Earning Per Share and Profit Management have an effect or not to Return of Stock at financial service company owned by BUMN listed on BEI. This study attempts to provide empirical analysis of earnings information in the company's annual financial statements. Based on the company's financial report data can be obtained easily by investors so this research is expected to be input for investors as a consideration in the investment decision.The study contributes to the earnings management literature, by examining the effect of Earning Per Share and Profit Management on Stock Returns. Thus, this study discussed implications by managers who conduct Earnings Management. Testing the implications of Earnings Management on a company's financial performance is important, given the significance of the operating performance will have an impact on the company and for those concerned.

Formulation of the problem

How is the influence of Earning Per Sharea and Profit Management simultaneously affect the Return of Shares in financial service companies owned by BUMNs listed on the Indonesia Stock Exchange on March 31, 2017 for a period of 3 (three) months.

Research Objectives

The purpose of this study to determine the effect of Earning Per Share and Profit Management partially and simultaneously affect the Return of Shares in state owned financial services companies listed on the Indonesia Stock Exchange dated March 31, 2017 for a period of 3 (three) months

Research Benefits

Provide information to companies and investors the significance of the influence of Earning Per Share and Earnings Management on Return of Shares at state-owned financial services companies listed on the Indonesia Stock Exchange March 31, 2017 for a period of 3 (three) months

Literature review

Earnings Per Share (EPS)

Earning Per Share or earnings per share is a measure of the company's ability to produce per share owners (Rendy Lee, 2018). Profit used as a measure is profit for the voter or EAT. Because the greater the benefits provided by the company to shareholders. For investors or investors caalon, this information is one of the fundamental factors that greatly affect the decision-making.

Earning Per Share or earnings per share indicates that the amount of net profit of the company is ready to be distributed to all shareholders of the company or the amount generated (return) of each share.

Earning Per Share (EPS) formula:

$$EPS = \frac{Total\ Earnings -}{Total\ Equity} \times 100\%$$

Average Number of common Outstanding = Average number of shares outstanding

Profit ratios are used to examine the underlying causes of EPS changes. Rsio - this ratio of earnings shows the combined impact of liquidity and asset / liability management on the company's fi rm generates profits. These ratios spell out EPS into its basic determinants in order to assess the underlying factors of the firm's earnings. These ratios help in assessing historical profitability and projecting future earnings through a better understanding of the causes of profit. The share price relationship with earnings per share is related to PER analysis, so often a stock seems surprising because it only produces EPS is relatively low when compared with the stock price. The higher the PER the lower the EPS appears when compared to the stock price.

Earnings Management

(Yusrianti and Satria, 2014) said that earnings management is also a management action to choose accounting policies from existing accounting standards with the aim of maximizing the welfare and market value of the company. So managers can affect the value of the company's stock market through Profit Management, for example by making income smoothing (income smoothing) and profit growth over time. The possibility of this manipulation is due to the flexibility in implementing it and because it is difficult to emphasize flexible financial reporting Profit management as a behavior that plays within the discretionary accruals component in determining the profits.

Profit management within its scope can be defined as the actions of managers in increasing or decreasing current profits on a business and managers are responsible without causing an increase or decrease in the long-term economic preferability of the unit (Arif, 2012).

(Nuryaman, 2013) says that earnings management negatively affects the market's abnormal return. Under conditions the company will sell its shares to the public regarding the company's financial condition. This encourages managers to earn earnings management.

Some reasons for earnings management include first, management can increase shareholder confidence in managers. Profit management is closely related to the level of profit or business achievement of an organization, this is because the level of profit or profit is associated with management performance and also the small bonuses that will be received by the manager.

Second, earnings management can improve relationships with creditors. Companies that are in default are unable to fulfill their debt obligations in due time, companies are trying to avoid them by creating policies that can increase revenues and profits. Third, earnings management can attract investors to invest their capital primarily in the company go public at the time of the IPO.

Stock Return

Stock Return is the result of an investment. Investments should really realize that in addition to profit will not close the possibility they will experience losses. Profits or losses are strongly influenced by the ability of investors to analyze the state of stock prices is a momentary research that is influenced by many factors including the condition (performance) of the company, external constraints, the strength of supply and demand of shares in the market, as well as the ability of investors in analyzing stock investments (Yusrianti and Satria, 2014)

Thus, any investment in both the short and long term has the main goal of obtaining a profit called return either directly or indirectly. The greater the risk of a security, the greater the expected return. Conversely, if the smaller the expected return, the less risk that must be borne. This positive relationship applies only to the expected return or ex-ante return (before the fact), ie for returns that have not occurred yet. To return realization (which already happens) This positive relationship can occur.

Return describes the results obtained by investors from activities that have been done over a period of time, which consists of Capital gain and Yield. Capital gain (loss) is the difference in profit (loss) of the current investment price relative to the price of the past period. Yield is a percentage of periodic cash receipts to the investment price of a certain period of an investment (Dyah Ayu Savitri, 2012).

The mathematically realized return formulation can be formulated as follows :

$$Rt = \frac{Pt - P(t-1)}{P(t-1)}$$

RESEARCH METHODOLOGY

The data to be used for this study is secondary data where the data source does not directly provide its data. Secondary data for this study is obtained from the official website of Indonesia Stock Exchange, namely www.idx.co.id secondary data required is financial information from financial statements included in the sample according to the variables studied. With data collection method is documentation method, that is by collecting and reviewing secondary data of financial services company owned by BUMN published by Indonesia Stock Exchange in year 2017.

Population and Sample

The company population of 4 companies is a financial services company listed on the Indonesia Stock Exchange and has a complete report on 31 March 2017 period of 3 (three) months.

The selection of this sample is determined by purposive sampling. Selected company samples are based on criteria. The sample of this research are 4 companies: BMRI (Bank Mandiri Indonesia), BBTN (State Savings Bank), BBNI (Bank Negara Indonesia), BBRI (Bank Rakyat Indonesia).

Research Model

This research uses a quantitative paradigm because quantitative or quantitative research paradigms emphasize the testing of theories through the measurement of research variables with numbers and perform data analysis with statistical procedures (JC Antula, P. Van Rate, Rw.L. Samadi: 2017)

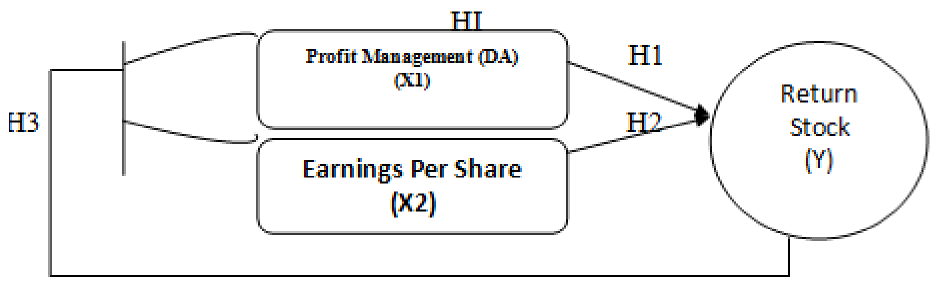

Figure 1, the conceptual framework of the study

Research Hypothesis

H1: Earning Per Share has a significant effect on Stock Return on service companies Listed on the Indonesia Stock Exchange

H2: Profit Management has a significant effect on Stock Return on service companies finance listed on the Indonesia Stock Exchange

H3: Earnin Per Share and Profit Management on Stock Return on service companies Keunagan owned by BUMNs listed on the Indonesia Stock Exchange

Data Analysis Method

Classic Assumption Test, Testing the classical assumption to provide assurance that the regression equation obtained has precision in estimation, unbiased and consistent.

Hypothesis Testing

The analysis used in the management of research data is multiple linear regression analysis using SPSS 20 software (Statistical Package for Social Science) after previously variable data is processed and done calculation based on formula exist in Microsoft Excel. Test model in this research is expressed in equation below:

$$\boxed{Y = a + b_1.X_1 + b_2.X_2}$$

Y : *Return Saham*

X_1 : *Earning Per share*

X_2 : Manajemen Laba

Partial Test T (t test)
Aims to test how the influence of each independent variable individually to the dependent variable.
Simultaneous Effect Test (F test)
Aims to show all independent variables have an effect simultaneously on the dependent variable.
Coefficient of Determination Test (R^2)
Aim to measure how far the model's ability can explain variations of the dependent variable. Many researchers advocate using Adjusted R^2 values when evaluating which regression model is best. Adjusted R^2 value is used if the independent variable is more than one.
Discussion
Simultaneous Test Results (F test)

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	143937173127,769	2	71968586563,884	12,629	,195[b]
	Residual	5698512650,231	1	5698512650,231		
	Total	149635685778,000	3			

a. Dependent Variable: ReturnSaham

b. Predictors: (Constant), DA, EPS

Source: SPSS Data Separation Output 20
That In the test table ANOva or F test empirically the value of F arithmetic of 12.629 from each idependent variable and dependent variable and has a significant value of 0.195 that the significant value of F test is above 0.05 or 5%

Test Result t (t test)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	,981[a]	,962	,886	75488,493	,962	12,629	2	1	,195	3,222

a. Predictors: (Constant), DA, EPS

b. Dependent Variable: ReturnSaham

Source: SPSS Data Separation Output 20

Partial hypothesis testing for variable X1 has t hit value = 1.489 with significant level where H1 is not acceptable at significant> 0,05 so that first hypothesis declared rejected. Testing X2 contributes in increasing Y, in partial hypothesis testing for variable X2 has t = 0.881 so H1 is unacceptable so that the second hypothesis proof is declared rejected.

Coefficient Test Results Determination (R^2)

Table 4. Coefficient of Determination Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	,981[a]	,962	,886	75488,493	,962	12,629	2	1	,195	3,222

a. Predictors: (Constant), DA, EPS

b. Dependent Variable: ReturnSaham

Source: SPSS Data Separation Output 20

Based on the calculation with SPSS 20 program it can be known that R-Square obtained is 0.962 or 96.2%, while the value of adjudted R-Square obtained for 0.886 or 88.6%, empirically in this study used 2 variables, then coefficient of determination used is the number of adjudted R value of 0.886 that the number gives the meaning that changes in the rate of change of stock return is influenced by the level of independent variables such as X1, X2 of 88.6% while the remaining 11.4%, empirically other variables affected by other factors outside the study.

Test Effect of Earning Per Share Against Stock Return

Based on the above table 6 above can be seen that Earning Per Share produces t count value of 1.489 while t table of 569.851.265, which means t arithmetic <t table and varabel has a significant level of 0.376 which when compared with the degree of error that has been determined of 5% or 0.05 then the value of significance of Earning Per Share variables greater the degree of error of stock returns.

Test of Effect of Earnings Management on Stock Return

Based on table 6 above can be seen that the Management Profit produces ninai t arithmetic of 0.881, while t table of 569.851.265, which means t arithmetic <table and this variable has a significant level of 0.540 which when compared with the predetermined degree of error of 5 % or 0.05 then the value of variable significance Management Profit greater degree of error than stock return.

Conclusion & Suggestions

The conclusions of this study are as follows:

1. Earning Per Share and Profit Management simultaneously have a significant effect on Return of Stock at a state-owned financial services company listed on BEI on 31 March 2017 period of three months
2. Partial earnings management has no significant effect on the Return of Stock at the state-owned financial services company listed on the BEI on March 31, 2017 period of three months
3. EPS partially no significant effect on the Return of Shares in state-owned financial services companies listed on the BEI on March 31, 2017 period of three months.

Based on the above conclusions, the author tries to give suggestions that become consideration for the parties - related parties, as follows:

1. For the Commitment

It is expected to publish reports that have been audited dengab timely, so that financial statements are more reliable, especially for investors

2. For Investors

It is expected to be more careful in doing the analysis before investing even more in analyzing the profit information contained in the financial statements issued by the company because the possibility of the value of the profit presented in the financial statements is not the actual value

3. For Further Researchers

The authors suggest to further researchers when researching with a model like this so that researchers further use the longer motede, the object of more research, and can add other variables. In order to get more accurate results and further explain the influence between the variables tested.

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