

The Effect of Current Ratio (CR), Price to Book Value (PBV), and Return on Assets (ROA) on Stock Price at Surya Citra Media Period 2010-2019

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Abstract

The background of this research is the development of the world economy, so Indonesia is one of the developing countries that is a target for domestic and foreign entrepreneurs to increase wealth by buying shares in the form of investment in the capital market. The profit or profit that a company gets becomes a benchmark for a company to reach investors who are hunting for the profits that can be obtained, and investors also consider the stock price that will be issued with the results that investors get. The objectives of this research are: the first is To find out whether CR has a significant effect on the stock price of PT. Surya Citra Media, Tbk., the second is to find out whether PBV has a significant effect on the stock price of PT. Surya Citra Media, Tbk., The Third is To find out whether ROA has a significant effect on the stock price of PT. Surya Citra Media, Tbk and the Fourth is to find out whether PBV and ROA simultaneously have a significant effect on the stock price of PT. Surya Citra Media, Tbk. Stages of this research method is to use secondary data from the financial report data of PT. Surya Citra Media, Tbk listed on the website www.idx.co.id with quantitative descriptive methods using several tests, namely Descriptive Statistics Test, Classical Assumption Test (Normality Test, Multicollinearity Test, Heteroscedasticity Test, Autocorrelation Test), Multiple Regression Analysis Test, Coefficient of Determination Test, and Hypothesis Testing (T-test and F-test). The results of this study are Current Ratio (CR) partially does not have a significant positive effect on stock prices, variable Price to Book Value (PBV) partially does not have a significant positive effect on stock prices, the Return On Assets (ROA) variable partially does not have a significant negative effect on stock prices and Variables Current Ratio (CR) Price to Book Value (PBV) and Return On Assets (ROA) simultaneously or simultaneously have no significant effect on the dependent variable, namely stock prices.

Keywords: Current Ratio (CR), Price to Book Value (PBV), Return on Assets (ROA), Stock Prices.

1. Introduction

The capital market is a financial market for long-term funds and includes a concrete market. From the data obtained on the Jakarta Stock Exchange or Idx, one of the companies in Indonesia, namely PT Surya Citra Media Tbk (SCMA) In December 2019, MNC's share price fell 2.62% while Surya Citra Media's shares fell 2.44%. Surya Citra Media's shares fell 2.44% to Rp 1,400 per share. The total volume of transactions for shares with the issuer code SCMA is 54.39 million shares with

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a transaction value of Rp. 76.83 billion. The background and problem of this research is that the company PT Surya Citra Media Tbk (SCMA) recorded a decrease in net profit of 7.34% or Rp. 782.48 billion in the first half of 2019. Based on SCMA's financial statements, the decline in company profits was due to increased operating expenses. 0.42% or Rp 604.48 billion compared to the same period the previous year of Rp 514.76 billion. Nevertheless, the revenue of this subsidiary of PT Elang Mahkota Teknologi Tbk (EMTK) still grew 6.91 percent. SCMA's revenue reached Rp 2.76 trillion from the previous Rp 2.58 trillion. Launching RTI data, the price of SCMA in August 2019 fell 5.16% or 80 points to the level of Rp 1,470 per share. Within a month, foreigners have sold SCMA shares up to Rp 55.81 billion in the regular market. According to Chris, the SCMA trend is indeed bearish.

The fundamental method used in this study is the Current Ratio (CR), Price to Book Value (PBV) and Return to Assets (ROA). PBV is a ratio that describes how much the market values a company's price compared to its net worth. While ROA is a ratio that can be used to assess whether a company has good financial performance or not, PBV is a ratio that describes how much the market values the company's price compared to its net worth. The following is the data of PT. Surya Citra Media, Tbk. The urgency of this research is that every investor who invests his assets in the company's business entity expects a return on the investment he makes. have information related to stock prices, so investors can make decisions about company stocks that are eligible to invest. especially during the covid 19 pandemic, investors are more selective in investing shares in certain companies in order to generate profits because many companies have gone out of business due to the pandemic. covid 19 so that investors must better understand what stocks should be bought or invested so that the future will provide benefits, namely providing profit. The company is experiencing fluctuations in the Current Ratio (CR), Return on Assets (ROA) and Price to Book Value (PBV) ratios which causes changes in stock prices from 2010-2019 PT. Surya Citra Media, Tbk trying to stabilize stock prices so that investors remain interested in investing in the company.

2. Literature Review

Current Ratio (CR),

Current Ratio according to Kasmir (2014:134) states that the current ratio or (Current Ratio) is a ratio to measure the company's ability to pay short-term obligations or debts that are due immediately when billed as a whole. In other words, how much current assets are available to cover short-term liabilities that will soon mature. The current ratio can also be said as a form to measure the understanding of the current ratio according to Kasmir (2014:134) which states that the current ratio is a ratio to measure the company's ability to pay short-term obligations or debts that are due immediately when billed as a whole. In other words, how much current assets are available to cover short-term liabilities that will soon mature. The current ratio can also be said as a form to measure the level of security (margin of safety) of a company. According to Riyanto in Lasmi Wardiyah's book (2017: 159) Current Ratio is the ability to pay debts that must be met immediately with current assets owned.

Price to Book Value (PBV)

Price Book to Value (PBV) is a financial ratio used to measure the performance of stock prices against their book value. Price Book to Value (PBV) is seen from the comparison between the stock price and the book value of the company. According to Sukmawati (2019:105) "Price to Book Value describes how much the market appreciates the book value of a stock. The higher the PBV value, the more expensive the price per share, and vice versa.

Return on Assets (ROA)

Return On Assets (ROA) according to Kasmir (2014:201), namely return on total assets is a ratio that shows the results (return) of the total assets used in the company. According to Brigham and Houtson (2010:148) said that ROA is the ratio of net income to total assets measuring the return on total assets. According to Fahmi (2012: 98) the notion of Return On Assets is often also referred to as Return On Investment, because this ROA sees the extent to which investments that have been invested are able to provide a return of profit as expected and the investment is actually the same as the company's assets that are invested or placed.

Stock Prices

The stock price is one indicator of the management of a company. The success of generating profits will give satisfaction to rational investors. A high stock price will provide benefits in the form of capital gains and a better corporate image making it easier for management to obtain funds, either from investors or from financial institutions. According to Widodoatmodjo (2012:45) defines that "stock price is the price or value of money that is willing to be issued to acquire a share." According to Darmadjidan Fakhruddin (2012:102) "Stock price is the price that occurs on the stock exchange at a certain time. Stock prices can change up or down in a matter of time so fast. It can change in minutes and can even change in seconds. This is possible because it depends on the demand and supply between the stock buyers and the stock sellers." From the above definitions, the researcher can conclude that the stock price is the price or value of money at the closing price at the end of the year. Types of Stock Prices According to Darmadji and Fakhruddin (2012: 102), a share has a value or price that can be divided into three, namely:

a. Nominal Price

The nominal price is the value stated on the share certificate, the amount of which is determined in the company's articles of association. Nominal prices are mostly low presumed prices, which are arbitrarily charged to company shares. This price is useful for determining the price of ordinary shares issued. The amount of the nominal price gives importance to the stock because the minimum dividend is usually set based on the nominal value

b. Prime Price

This price is the price listed on the stock exchange. The stock price in the primary market is usually determined by the underwriter and the issuer. Thus, it will be known at what price the shares of the issuer will be sold to the general public to determine the initial price.

c. Market price

This price is the price set on the stock exchange for shares of public companies or the estimated price for companies that do not own shares. In the stock market, this figure changes daily in response to actual or anticipated results and overall or sectoral market

3. Results and Discussion

Multiple Linier Regression

This study uses multiple regression model in analyzing the data. According to Sugiyono (2016: 192) multiple linear regression analysis is a regression that has one dependent variable and two or more independent variables. This model is used to determine how much influence the independent variable has on the dependent variable, namely the Capital Adequacy Ratio (ROA). Another purpose of the Linearity Test is to prove that the regression obtained is. The results of multiple linear regression are as follows:

Table 1. Coefficients

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|-----------------------------|------------|---------------------------|--------|------|
| | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.369 | .331 | 4.135 | .003 |
| | CR | .193 | .129 | 1.360 | .173 |
| | PBV | -.319 | .272 | -1.065 | .275 |
| | ROA | .018 | .002 | .062 | .075 |

Based on the SPSS output above, the regression equation is obtained as follows:

$$Y = 1,369 + (0,193) X1 - (0,319) X2 + (0,018) X3$$

The model shows that:

- constant value of 1.369 means that CR (X1) , PBV (X2) and ROA (X3) are worth 0 (zero), then the share price (Y) has a fixed value of 1.369.
- The regression coefficient for the CR variable (X1) is 0.193, which means that if the CAR (X1) increases, the Stock Price (Y) will increase by 0.193%.
- The regression coefficient for the PBV variable (X2) is 0.319, which means that if the PBV (X2) increases, the Stock Price (Y) decreases by 0.319.
- The regression coefficient of the ROA(X3) variable is 0.319, which means that if the ROA (X3) has increased, the Stock Price (Y) has increased by 0.018.

Partial Test

According to Ghozali (2011: 98) the t test basically shows how far the influence of one independent variable individually in explaining the variation of the dependent variable. Partial hypothesis testing, can be tested using the t-test formula, t-statistical testing aims to test whether or not the influence of each variable X1, X2 and X3 on Y.

Table 2. Hypothesis Test

| No. | Variables | t-value | Sig | t-table |
|-----|-----------|---------|------|---------|
| 1. | CR | 1.496 | .173 | 2,306 |
| 2. | PBV | -1.172 | .275 | 2,306 |
| 3. | ROA | .012 | .075 | 2,306 |

Based on the results of the trial test obtained ttable of 2,306. Then it can be seen [tcount] (1.496) < ttable (2.306) with a significance value of 0.173 which is greater than a significant value of 0.05, so the hypothesis shows that Ho1 is accepted and Ha1 is rejected, which means that CR partially has no significant effect on stock prices, for hypothesis 2 the result is obtained ttable of 2,306. Then it can be compared [tcount] is smaller than ttable 2,306 with a significant value of 0.275 which is greater than the limit of significance value of 0.05, so that the Ho2 hypothesis is accepted and Ha2 is rejected, which means that PBV partially has no significant effect on stock prices.and for hypothesis 3 obtained ttable of 2,306. Then it can be compared [tcount] which is smaller than ttable 2,306 with a significant

value of 0.075 which is greater than the limit of significance value of 0.05, so that the hypothesis Ho1 is accepted and Ha1 is rejected, which means that ROA partially has no significant effect on stock prices.

Goodness of Fit

The F test is a simultaneous test of the regression coefficients. This test was conducted to determine the effect of all independent variables contained in the model simultaneously (simultaneously) on the dependent variable, namely the independent variable X1 (CR), Variable X2 (PBV) and Variable X3 (ROA) on Y (Stock Price). The results of the data obtained are as follows:

Table 3. ANOVA

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|----|-------------|-------|-------------------|
| 1 | Regression | .306 | 2 | .153 | 2.245 | .168 ^b |
| | Residual | .545 | 8 | .068 | | |
| | Total | .851 | 10 | | | |

From table 3 above, it can be seen that the value of [Fcount] is 2.245, then compared with Ftable with a significant level of 0.05 and the value of Ftable = F (k; nk) or F (2; 9) obtained Ftable of 4.26, then the results of the calculation [Fcount] > Ftable are 2.245 > 4.26 with a significance value of 0.168 > 0.05 then Ho3 is accepted Ha3 is rejected and it can be concluded that there is no significant effect of the variable Current Ratio (CR), Price To Book Value (PBV) and Return On Assets (ROA) to stock price

Adjusted R Square

according to (Ghozali, 2005: 83) fundamental weakness the use of the coefficient of determination is able to the number of variables independently included in the model. Each additional one variable independent, then R2 Definitely increases. Therefore, many studies have recommend using the Rsquare adjuster when evaluating models' regression. Unlike R2, the adjusted R2 value can increase or decrease if one independent variables are added to the model. The coefficient of determination can be seen in the following table:

Table 6. Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|-------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .600 ^a | .359 | .199 | .26097 | .359 | 2.245 | 2 | 8 | .168 |

a. Predictors: (Constant), CR, PBV , ROA

The results from the table above can be seen that the coefficient of determination (adjusted R2) obtained is 0.199. This shows that the influence of the independent variable is 19,90%, while the rest, namely 80,10%, the Stock Prices is influenced by other variables not examined in this study.

Discussion

Based on the results of statistical testing, The explanation of each variable effect is explained as follows:

The Effect of Current Ratio (CR) on Stock Prices

Hypothesis testing (H1) shows that the hypothesis cannot be accepted, it can be seen that The value [tcount] of the Current Ratio (CR) variable is 2,028 and the ttable results are obtained in the statistical table at a significance of $0.05/2 = 0.025$ (2-sided test) and $df = 11-2-1 = 8$, so it can be obtained a ttable of 2.306. Then it can be seen [tcount] (1.496) < ttable (2.306) with a significance value of 0.173 which is greater than a significant value of 0.05, so the hypothesis shows that Ho1 is accepted and Ha1 is rejected, which means that CR partially has no significant effect on stock prices.

The Effect of Price to Book Value (PBV) on Stock Prices

Hypothesis testing (H2) shows that the hypothesis cannot be accepted, it can be seen the results of the t-test results in the table above [tcount] for PBV of 1.172 and the t-table results obtained from the statistical table at a significance of $0.05/2 = 0.025$ (2-sided test) and $df = 10-2-1 = 8$, it can be obtained ttable is 2,306. Then it can be compared [tcount] smaller than ttable 2,306 with a significant value of 0.275 which is greater than the limit of significance value of 0.05, so that the hypothesis Ho1 is accepted and Ha1 is rejected, which means that PBV partially has no significant effect on stock prices.

The Effect of Return on Assets (ROA) on Stock Prices

Hypothesis testing (H2) shows that the hypothesis cannot be accepted, it can be seen the results of the t-test in the table above [tcount] for ROA of 0.012 and the results of the t-table obtained from the statistical table at a significance of $0.05/2 = 0.025$ (2-sided test) and $df = 10-2-1 = 8$ then it can be obtained ttable of 2,306. Then it can be compared [tcount] which is smaller than ttable 2,306 with a significant value of 0.075 which is greater than the limit of significance value of 0.05, so that the hypothesis Ho1 is accepted and Ha1 is rejected, which means that ROA partially has no significant effect on stock prices.

The Effect of Current Ratio (CR), Price to Book Value (PBV), and Return on Assets (ROA) on Stock Prices

Hypothesis testing (H4) shows that the hypothesis cannot be accepted, it can be seen that the value of [Fcount] is 2.245, then compared with Ftable with a significant level of 0.05 and the value of Ftable = F (k; nk) or F (2; 9) obtained Ftable of 4.26, then the results of the calculation [Fcount] > Ftable that is $2.245 > 4.26$ with a significance value of $0.168 > 0.05$ then Ho3 is accepted Ha3 is rejected and it can be concluded that there is no significant effect of the variables Current Ratio (CR), Price To Book Value (PBV) and Return On Assets (ROA) to stock price.

4. Conclusion

Based on the results of the discussion of data analysis through proving the hypothesis of the problem regarding the Effect of Return on Equity (ROE) and Price to Book Value (PBV) on stock prices at PT. Surya Citra Media, Tbk., the authors can draw the following conclusions: Current Ratio

(CR) partially does not have a significant positive effect on stock prices. Variable Price to Book Value (PBV) partially does not have a significant positive effect on stock prices. The Return on Assets (ROA) variable partially does not have a significant negative effect on stock prices. Current Ratio (CR), Price to Book Value (PBV) and Return on Assets (ROA) simultaneously or simultaneously have no significant effect on the dependent variable, namely stock prices

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