International Journal of Advances in Engineering and Management (IJAEM)
Volume 3, Issue 7 July 2021, pp: 4208-4214 www.ijaem.net ISSN: 2395-5252

Effect of Return on Equity, Fixed Asset to Total Asset, And Debt to Equity on Stock Price in Pt. Metropolitan Ketjana Tbk per Quarter 2011-2019

Muhammad Nino Syahputra[1], Sunartiyo[2]
Universitas Krisnadwipayana
Campus Unkris Jatiwaringin PO BOX 7774/Jat CM Jakarta 13077, Indonesia

Submitted: 25-07-2021 Revised: 04-08-2021 Accepted: 06-08-2021

ABSTRACT: The purpose of this study was to determine the magnitude of the effect of Return On Equity, Fixed Assets To Total Assets, and Debt To Equity on stock prices at the company PT Metropolitan KentjanaTbk Per Quarter 2011-2019. The data used in this study is secondary data, obtained from the website www.idx.co.id, namely financial reports from 2011-2019. The sample used in this research is PT. Metropolitan KetjanaTbk is engaged in the property and real estate sector. This research uses the linear regression analysis method. The results showed that Return On Equity (ROE) and Debt to Equity Ratio (DER) had no significant effect on stock prices. In contrast, Fixed Assets to Total Assets (FATA) had a negative and significant effect on stock prices. There is a simultaneous positive influence on Return On Equity, Fixed Assets to Total Assets, and Debt to Equity Ratio on Stock Prices.

KEYWORDS: Return On Equity (ROE), Fixed Assets to Total Assets (FATA), Debt to Equity Ratio (DER), and Stock Prices

I. INTRODUCTION

The property and real estate business is a business that has had a speedy development over time. The increase in property prices is caused by land prices that tend to rise. The supply of land is increasing, often with the increase in population and the increasing human need for housing, offices, shopping centers, amusement parks, etc. It is appropriate that if the development company gets a significant profit from the increase in property prices and the profits it earns, the development company can improve its financial performance, which will increase the share price.

The reason the researcher discusses this topic is that several phenomena have emerged recently in the property and real estate business in the global and regional environment that is interesting to observe, including: (1) The high growth rate of the property and real estate industry in Indonesia after the monetary crisis. This increase was mainly driven by constructing many trading centers and office buildings and commercial housing. (2) The property and real estate industry is known as a business that has a rapidly changing cycle of persistence and complexity. The description of this phenomenon can undoubtedly affect the level of stock returns in property and real estate companies. According to Michael C Thomsett and Jean Freestone Thomsett, the property market is generally divided into three: (1) residual property, residential apartments, and multi-unit buildings. (2) commercial property, namely property designed for business purposes, such as a storage building and parking area, and (3) industrial property, namely property designed for industrial use, such as factory buildings. Stock return is the result obtained.

Table 1. The development of the company's stock pricePT. Metropolitan KentjanaTbk

Quartal	Stock Price(IDR)								
	2011	2012	2013	2014	2015	2016	2017	2018	2019
Q1	2.800	2.900	6.000	14.500	14.400	18.000	26.000	26.825	16.200
Q2	2.900	3.000	7.500	14.475	17.000	18.750	26.000	23.125	15.925
Q3	2.900	3.900	7.500	14.500	16.800	24.000	33.650	24.000	16.575
Q4	2.900	3.900	9.500	15.300	16.875	25.750	36.500	22.500	16.200

International Journal of Advances in Engineering and Management (IJAEM)
Volume 3, Issue 7 July 2021, pp: 4208-4214 www.ijaem.net ISSN: 2395-5252

Based on Table 1, the development of the company's stock price of PT. Metropolitan Ketjana Tbk in the last few years has decreased. The increase in stock prices only occurred from 2011 to 2017. This indicates that there is a problem that has resulted in the share price of PT. Metropolitan Ketjana Tbk has experienced a decline in recent years.

II. LITERATURE REVIEW

Stock Price

According to Brigham and Houston (2010: 7), stock prices determine shareholder wealth. Maximizing shareholder wealth translates into maximizing the company's share price. The stock price at any given time would depend on the cash flows that the "average" investor would expect to receive in the future if the investor bought the stock.

Return On Equity Ratio

According to Hery (2015:230), return on equity is the ratio used to measure the company's success in generating profits for shareholders. ROE is considered as a representation of shareholder wealth or company value.

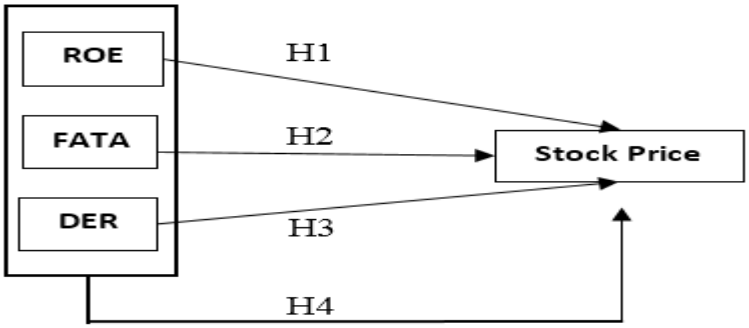
The ratio of Fixed Assets to Total Assets

According to Bambang (2008:298), argues that most of the companies whose assets come from fixed assets will prioritize meeting their funding needs with debt. Companies with large amounts of fixed assets can use more debt because fixed assets can be used as good collateral for company loans.

Debt to Equity Ratio

According to Kasmir (2013:157), DER is a ratio used to assess debt to equity. To find this ratio by comparing all debt, including current debt, with all equity.

Framework



Hypothesis

H1: ROE has a significant effect on stock prices
H2: FATA has a significant effect on stock prices
H3: DER has a significant effect on stock prices
H4: ROE, FATA, and DER simultaneously have a significant effect on stock prices

RESEARCH METHODS

In conducting this research, the data collection methods used are as follows:

a. Conduct an internet search on the Indonesia Stock Exchange and Pondok Indah Group sites with the site addresses http://www.idx.co.id and https://pondokindahgroup.co.id/ to obtain secondary data in the form of company overviews and company reports per 2011-2019 quarter.
b. Literature study, collecting library data related to research.

This type of research is quantitative, and the research method uses descriptive statistical analysis, Classical Assumption Test, Model accuracy test, Hypothesis test.

III. RESULTS AND DISCUSSION

A. Research Results

1. Descriptive Analysis

Table 2. Descriptive Analysis of Variables

Model	N	Minimum	Maximum	Mean	Std. Deviation
ROE	36	2,86	32,29	14,2944	7,59754
FATA	36	60,67	94,89	79,2206	11,27676
DER	36	32,19	137,13	60,78	28,64278

International Journal of Advances in Engineering and Management (IJAEM)
Volume 3, Issue 7 July 2021, pp: 4208-4214 www.ijaem.net ISSN: 2395-5252

HS	36	2800	36500	15265,28	9225,907
Valid N (listwise)	36				

Source: Data processed, the year 2021

Based on the results of descriptive statistics in table 2, it can be interpreted that:

a. ROE (Return On Equity) has a minimum value of 2.86, which occurred at PT Metropolitan KetjanaTbk per quarter of 2011-2019, and a maximum value of 32.29. ROE with 36 samples has an average value of 14.2944 and a standard deviation of 7.59754, meaning that this value is smaller than the average value. This shows that the mean value can be used as a representative of the entire data.
b. FATA (Fixed Assets to Total Assets) has a minimum value of 60.67, which occurred at PT Metropolitan KetjanaTbk per quarter of 2011-2019 and a maximum value of 94.89, FATA with a sample of 36, has an average value of 79.2206, and the standard deviation of 11.27676, meaning that the value is smaller than the average value. This shows that the mean value can be used as a representative of the entire data.
c. DER (Debt to Equity Ratio) has a minimum value of 32.19, which occurred at PT Metropolitan KetjanaTbk per quarter of 2011-2019 and a maximum value of 137.13, DER with a sample of 36, has an average value (mean) is 60.78. The standard deviation is 28.64278, meaning that the value is smaller than the average value. This shows that the mean value can be used as a representative of the entire data.
d. The share price has a minimum value of 2,800, which occurred at PT Metropolitan KetjanaTbk in 2011-2019 and a maximum value of 36,500, the share price with a sample of 36, has an average value of 15265.28 and a standard deviation of 9225,907, meaning that the value is smaller than the average value. This shows that the mean value can be used as a representative of the entire data.

2. Classical Assumption Test Results in

a. The results of the normality test can be seen in table One-Sample Kolmogorov-Smirnov Test

Table 3. Normality Test

N		36
Normal Parameters	Mean	,0000000
	Std. Deviation	4554,3227717
Most Extreme Differences	Absolute	0,106
	Positive	0,106
	Negative	-0,081
Test Statistic		0,106
Asymp. Sig. (2-tailed)		,200[c,d]

Source: Data processed, the year 2021

Based on the test results in Table 5, the results of the One-Sample Kolmogrove-Smirnov Test resulted in asymptotic significant 0.05 (0.200 0.05). Based on these results, it can be concluded that the regression model has met the assumption of normality.

b. The results of the multicollinearity test can be seen from the value of the VIF (Variance Inflation Factor), with the following results:

Table 4. Multicollinearity Test

Model		Colinearity Statistic	
		Tolerance	VIF
1	ROE	0,865	1,155
	FATA	0,598	1,671
	DER	0,634	1,578

International Journal of Advances in Engineering and Management (IJAEM)
Volume 3, Issue 7 July 2021, pp: 4208-4214 www.ijaem.net ISSN: 2395-5252

a. Dependent Variable: Stock_Price

Source: Data processed, the year 2021

The results of the Variance Infaltion Factor (VIF) analysis using SPSS 25 in the table above, the VIF value < 10, and the tolerance value > 0.10, it can be concluded that in the regression model, there is no multicollinearity in the independent variable.

c. The results of the heteroscedasticity test can be seen from the magnitude of the sig value on the Glejser test method.

Table 5. Heteroscedasticity Test Results

Model		T	Sig.
1	(Constant)	0,668	0,458
	ROE	0,965	0,385
	FATA	-0,302	0,704
	DER	0,394	0,744
a. Dependent Variable: Stock_Price			

Source: Data processed, the year 2021

Based on the results of the Glejser test above, the significance value of the ROE variable is 0.385, more significant than 0.05. Based on this explanation, it can be concluded that the regression model does not contain heteroscedasticity. The significance value of the FATA variable is 0.704, more significant than 0.05. Based on this explanation, it can be concluded that the regression model does not contain heteroscedasticity. The significance value of the DER variable is 0.744, more significant than 0.05. Based on this explanation, it can be concluded that the regression model does not contain heteroscedasticity.

d. Autocorrelation test results

Table 6. Autocorrelation Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
	,870[a]	0,756	0,733	4763,030	0,745
a. Predictors: (Constant), ROE, FATA, DER b. Dependent Variable: Stock_Price					

Source: Data processed, the year 2021

Based on the results of the autocorrelation test above, the DW value is 0.745. The DW value is between -2 < 0.745, < 2. So it can be concluded that in the regression model, the independent variable does not occur autocorrelation.

3. Multiple Regression Analysis Results

Table 7. Results of Multiple Linear Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	91985,398	9179,001		10,021	0,000
	ROE	68,960	113,906	0,057	0,605	0,549
	FATA	-860,082	92,289	-1,051	-9,319	0,000
	DER	-157,448	35,315	-0,489	-4,458	0,000

International Journal of Advances in Engineering and Management (IJAEM)
Volume 3, Issue 7 July 2021, pp: 4208-4214 www.ijaem.net ISSN: 2395-5252

a. Dependent Variable: Stock_Price

Source: Data processed, year 2021

Based on table 7, it can be seen that the regression equation is as follows:

$Y = 91.985,398 + 68,960X_1 - 860,082X_2 - 157,44X_3$

The regression equation above can be explained as follows:

a) Constant (a)

The constant value (a) is 91,985,398, which means that if the ROE, FATA, and DER are 0, then the share price is Rp. 91,985,398.

b) ROE coefficient (X1)

The coefficient value of the ROE variable is 68.960, meaning that every 1% increase in ROE, assuming other variables remain, will cause the share price to increase by Rp. 68,960.

c) FATA coefficient (X2)

The coefficient value of the ROE variable is -860.082, meaning that every 1% increase in ROE, assuming other variables remain, will cause the value of the Share Price to decrease by Rp. 860,082.

d) DER Coefficient (X3)

The coefficient value of the ROE variable is -157.44, meaning that every 1% increase in ROE, assuming other variables remain, will cause the share price to decrease by Rp. 157.44.

4.Model Accuracy Test Results

Coefficient of Determination Test Results Simultaneously

Table 8. Results of the Coefficient of Determination

Model	R	R^2	Adjusted R Square	Std. Error of the Estimate
1	,870[a]	0,756	0,733	4763,030
a. Predictors: (Constant), DER, ROE, FATA b. Dependent Variable: Stock_Price				

Source: Data processed, the year 2021

The magnitude of the coefficient of determination (R2) is 0.756 or (75.6%). These results indicate that the variables Return On Equity (ROE), Fixed Assets to Total Assets (FATA), and Debt to Equity Ratio (DER) simultaneously contribute 75.6%. In comparison, the rest (100% - 75.6% = 24.4%) is influenced by other variables outside of this regression equation.

B. Hypothesis Test Results

Tabel 8. ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2253141314	3	751047104,6	33,106	,000[b]
	Residual	725966533,3	32	22686454,17		
	Total	2979107847	35			
a. Dependent Variable: Stock_Price b. Predictors: (Constant), DER, ROE, FATA						

Source: Data processed, the year 2021

From table 8, the F-count value is 33.106 with a probability value (sig) = 0.00. F-count (33.106) > F-table (3.29). This shows that Ho is rejected and Ha is accepted. Based on this, it can be concluded that return on equity, fixed assets to total assets, and debt to equity ratio simultaneously affect stock prices.

Table 9. Results of T-Test Return On Equity on Stock Prices

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10100,319	3208,697		3,148	.003
	ROE (X1)	361,326	198,823	,298	1,817	.078

Source: Data processed, the year 2021

International Journal of Advances in Engineering and Management (IJAEM)
Volume 3, Issue 7 July 2021, pp: 4208-4214 www.ijaem.net ISSN: 2395-5252

Based on Table 9, it can be seen that the significant rate t (0.078) > (0.05). This test shows that Ho is accepted and Ha is rejected, so it can be concluded that, partially, the ROE variable has no significant (not significant) effect on the stock price variable. H1 in this study was rejected.

Table 10. T-Test Results of Fixed Assets to Total Assets Against Stock Prices

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	65658,478	7058,547		9,302	.000
	FATA (X2)	-636,113	88,235	-,778	-7,209	.000

Source: Data processed, the year 2021

Based on Table 10, it can be seen that the significant rate t (0.000) < (0.05). This test shows that Ho is rejected and Ha is accepted. It can be concluded that, partially, the FATA variable has a significant (significant) effect on the stock price variable. H2 in this study is accepted.

Table 11. Results of T-Test Debt to Equity Ratio to Stock Prices

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	12142,732	354,654		3,322	.002
	DER (X3)	51,375	54,533	,159	,942	.353

Source: Data processed, the year 2021

Based on Table 11, it can be seen that the significant rate t (0.353) > (0.05). This test shows that Ho is accepted and Ha is rejected, so it can be concluded that partially the DER variable has no significant (not significant) effect on the stock price variable. H3 in this study was rejected.

IV. DISCUSSION

1. Effect of Return on Equity on Stock Prices

Based on the study results, it was found that the Return On Equity (ROE) partially has no significant effect on stock prices. The value of Sig. can prove this is 0.078 > 0.05 with a positive direction of 1.817. So it can be concluded that the amount of ROE has not been able to influence stock prices because ROE only shows the magnitude of the rate of return on capital or investment to the company's shareholders but does not clearly describe the company's prospects so that investors are not used as a benchmark in investing their funds. According to Firmana (2017), Munira, Merawati, and Astuti (2018), this study is in line; ROE is no significant effect on stock prices. Has not effected of Return on Equity on stock prices indicates that most investors are not interested in earning long term profits in the form of dividends but are more interested in short term profits, namely capital gains, so considering the purchase consider The company's Return on Equity will follow the trends that occur in the market, as well as the global economic crisis exposure which adds to the negative for sentiment investors if the company uses the efficiency of using the capital's prospects.

2. Fixed Assets to Total Assets on Stock Prices

Based on the study results, it was found that Fixed Assets to Total Assets (FATA) partially had a negative and significant effect on stock prices; the value of Sig. can prove this is 0.00 > 0.05 with a negative direction of -7,209. So it can be concluded that the higher the asset structure means that the fixed assets owned by the company will increase, which results in working capital and the ability of the company to meet the company's obligations that will mature, so the company will need capital from shares so that the share price will decrease. This research is in line with Kesuma (2009). Chairunisa, and Nana (2020), Fitriansyah, Mangesti, and Zahro (2016), .

3. The Effect of Debt to Equity Ratio on Stock Prices

Based on the results of the study, it was found that the Debt to Equity Ratio (DER) partially has no significant effect on stock prices; the value of Sig can prove this. is 0.353 > 0.05 with a positive direction of 0.942. So it can be concluded that the high and low Debt To Equity Ratio (DER) has not influenced stock prices. This shows that investors do not pay attention to the Debt to Equity Ratio as a benchmark in making investment decisions in investing. A high DER shows the high financial risk

within the company; it means the more significant the debt, the higher the risk of its inability to pay off its obligations. However, every company must have debt, and the debt they have will be managed to improve company performance. Because not all companies fail to utilize debt for operational costs and improve performance to pay all their obligations very well, this research is not in line. According to Alfiah, and Dian (2018), Chairunisa, and Nana (2020), Fitriansyah, Mangesti, and Zahro (2016), Munira, Merawati, and Astuti (2018), the DER has a negative effect and is significant on stock prices. However, in line with Wicaksono (2014), DER does not affect stock prices.

4. The Effect of ROE, FATA, DER Simultaneously Affects Stock Prices

Based on the results of the study, it was found that the ROE, FATA, DER variables together had a positive effect on stock prices, as evidenced by F-count (33.106) > F-table (3.28). This proves that return on equity, fixed assets to total assets, and debt to equity ratio together affect the stock price of PT Metropolitan KetjanaTbk.

V. CONCLUSIONS AND SUGGESTIONS

Conclusion

Based on the results of data analysis and discussion that has been described in the previous chapter, the following conclusions can be drawn:

1. ROE has no significant effect on the share price of the company PT Metropolitan Kentjana Tbk Per Quarter 2011-2019.
2. FATA has a negative and significant effect on the company PT Metropolitan Kentjana Tbk Per Quarter 2011-2019.
3. DER has no significant effect on the share price of the company PT Metropolitan Kentjana Tbk Per Quarter 2011-2019.
4. ROE, FATA, DER simultaneously have a significant positive effect on the company PT Metropolitan Kentjana Tbk Per Quarter 2011-2019.

Suggestion

The suggestions put forward include:

In determining stock prices, company managers should pay attention to other factors that investors often use in making investment decisions so that the stock price can be accepted by investors, not only limited to decisions taken by company management. Investors are also advised to pay attention to the variable, fixed assets, and total assets in deciding to invest in PT. Metropolitan Kentjana Tbk

For further researchers, it is recommended to add other variables that have not been found in this study, such as investment opportunities, profitability, managerial ownership, which are predicted to affect firm value, and further research is expected to increase the research sample and include companies with other sectors such as service companies, manufacturing companies, mining companies. A bank listed on the IDX. It is possible to provide a comparison of the effects of previous research.

REFERENCES

[1] Alfiah, and Dian. (2018). The Influence of Roe and Der on Stock Prices in the Retail Trade Sector.
[2] Brigham, Eugene F and Houston. (2010). Fundamentals of Financial Management: Fundamentals of Financial Management. Edition 10. Jakarta: Salemba Empat.
[3] Chairunisa, and Nana. (2020). The Effect Of Der And Roe On Stock Price Jakarta Islamic Index Companies.
[4] Firmana, Hidayat and Saifi. (2017). The Effect of Capital Structure and Profitability on Stock Prices (Study on Insurance Companies Listed on the Indonesia Stock Exchange in 2012-2015). Journal of Business Administration (JAB) Vol. 45 No.1
[5] Fitriansyah, Mangesti, and Zahro. (2016). The Influence of Roe, Der, Tato, and Per on Share Prices of Property and Real Estate Companies That Go Public on the Indonesia Stock Exchange.
[6] Hery (2015). Financial Statement Analysis. Edition 1. Yogyakarta: Center For Academic Publishing Services.
[7] Kasmir. (2013). Financial Statement Analysis. Edition 1. 6th Printing, Jakarta: Raja Grafindo Persada.
[8] Kesuma. (2009). Analysis of Factors Affecting Capital Structure and Its Effect on Share Prices of Real Estate Companies that Go Public on the Indonesia Stock Exchange, Journal of Management and Entrepreneurship Vol. 11 No. 1 Darwan Ali University, Sampit, Central Kalimantan.
[9] Munira, Merawati, and Astuti (2018). The Influence of Roe and Der on the Stock Price of Paper Companies on the Indonesia Stock Exchange.
[10] Putra, Nurlaila, & Samrotun. (2018). Effect of Return on Assets, Return on Equity, Debt to Equity Ratio to Return Stock Company Property and Real Estate In Indonesia Stock Exchange.
[11] Wicaksono. Reza. (2014). Effect of Eps, Per, Der, Roe and Mva on Stock Prices in manufacturing companies in 2012-2013.