THE INFLUENCE OF PROFITABILITY, LIQUIDITY, LEVERAGE AND MARKET VALUATION ON STOCK RETURNS IN MANUFACTURING COMPANIES IN THE CONSUMER GOODS SECTOR

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Abstract

Analyzing and knowing how much influence business location, advertising and service quality have on purchasing decisions that occur at Maju Bersama Supermarkets is the goal of this study. Researchers used associative approach research methods and quantitative research types. Analyzing the data in this study with multiple regression analysis. Data collection techniques were applied with questionnaires, interviews and documentation studies. The research population is visitors who have shopped at the Maju Bersama Supermarket which is also used as a sample of 142 consumers. The slovin formula is used to determine the number of samples. The t(count) value of the Business Location variable is -2.516, Advertising is 1.028, and Service Quality is 4.399 and F(count) is 8.754. The research results show that the coefficient of determination is 16%. The conclusion in this study is that simultaneously and partially Business Location, Advertising and Service Quality have a significant and positive value effect on Purchasing Decisions at PT. Maju Bersama Supermarket.

Keywords: Leverage, Liquidity, Profitability, Market Assessment, And Stock Returns

INTRODUCTION

Business in most industries requires a lot of capital. As a result, the capital market is a place where stocks and bonds can be sold to raise more money or increase company capital. Meanwhile, investors seek high returns by purchasing bonds as well as stocks. Investing produces stock returns, or the level of profit enjoyed by investors. Naturally, when making an investment, receive a return in proportion to the amount invested. More investors will put money into the business if stock returns are high. In deciding which investment to make, an investor uses company value as a measuring tool and a factor that must be taken into account. With the company value data, in addition to increasing the financial support premium when the company's value increases, this is also a trigger for executives to continue to improve quality. One of them is capital gains, which investors get through the remaining selling price of shares at the purchase price. The JCI or Composite Stock Price Index, which is a combination index of all industrial stocks listed on the Indonesian Stock Exchange and always strengthens past 4,316 in 2019, shows that the condition of the Indonesian stock market is getting better. in 2020 to 5,296, indicating an increase in demand from investors for stock investment activities in Indonesia. The movement of the Indonesia Stock Exchange on manufacturing sector stock returns shows the same thing. According to data from the Central Bureau of Statistics, manufacturing is a sector with dominating issuers and a large IDX market capitalization that often earns stock returns from 2018 to 2021.

This affects business and investment activities. When calculating profits, profitability ratios are used to determine the success or failure of a company. The company's ability to make money in its operations is often described using profitability ratios. 2 In most cases, an increase in the company's profitability shows the company's success in obtaining profits. Finally, the quality of industrial financial work will also increase (Sutriani, 2014). After entering the capital market for investment, the term liquidity ratio is often used. A company's liquidity ratio shows how well it can pay for its current activities with its debts. According to Lestari et al. (2016), companies are able to fulfill their obligations if the resulting liquidity is higher.

The leverage ratio shows the total debt used to pay for investments using assets or funds to cover or pay fixed costs. Where the leverage ratio is the ratio between the company's total equity, long-term debt, and short debt. Leverage will decrease when the company's total debt increases significantly. Under these circumstances, it can have an impact on stock returns which can result in a decrease in the company's stock return points. Companies with a lot of debt have a higher risk of being included in the extreme leverage category, making it more difficult to fulfill their obligations. The ratio that takes into account earnings, book value per share, and cash flow is known as the market valuation ratio. According to Fahmi (2012), the market value ratio is used to evaluate the state of the stock market at a certain time. Based on the previous table, the DVLA company (Darya Varia Laboratoria Tbk)
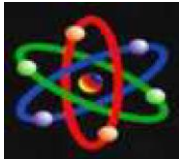
recorded a decrease in liquidity of 0.394 in 2.913 to 2.519, or around 39%, from 2018-2021. because the company's assets cannot finance its current fast period debt. in fulfilling its obligations and causing a low level of liquidity 3. According to the HRTA company (Hartadinata Abadi Tbk), the market value decreased by 0.184, or around 18%, in 0.828 to 0.644 in 2018-2021. This problem contradicts theory (Mayuni & Suarjaya, 2018). The higher the Earning Per Share value, the higher the investor's point of view on the future success of the company. As a result, investors really want to invest because the opportunity for stock returns is very high.

This is coverage through the population and its characteristics according to Sugiyono (2012). Based on the criteria for a multiple sampling procedure, this sample was taken using a purposive sampling technique.

RESEARCH METHODS
The impact and linear relationship between 2 and more independent variables on variables or dependents are determined using multiple linear regression analysis (Priyatno, 2017: 169). The following regression models were used in the regression analysis to verify the validity of the hypotheses. Sugiono (2017) defines multiple linear regression.
Quantitative methods were used for this assessment. As shown by Sugiyono, (2018: 13) Quantitative data is a method of positive assessment (concrete data). Assessment data are the numbers to be measured by using statistics as a test tool and calculations to draw a conclusion about the subject of the study. Secondary data such as financial

information that has been shared and verified on the IDX on the www.idx.co.id website, namely the information used. Secondary data is obtained by collecting, analyzing, and recording secondary data.

RESULTS AND DISCUSSION
The entire data studied consisted of 140 data obtained in 35 companies with a 4-year study period. The following is the result of the explanation, namely the overview table in the data based on the 5 variables studied in this company:
1. Profitability during the 2018-2021 period witnessed a minimum value of 0.00 obtained by MYOR for the 2018 period and a maximum value of 5712.80 obtained by DLVA in the 2021 period with a mean value of 1338.5461 and all gains with a standard deviation of 453.87322.
2. Liquidity during the 2018-2021 period saw a minimum value of 0.37 obtained by HRTA for the 2018 period and a maximum value of 1624.10 obtained by MYOR in the 2021 period while the mean value was 91.5987 and the acquisition of all standard deviations was 367.90115.
3. Leverage during the 2018-2021 period witnessed a minimum point of 0.108 obtained by HRTA for the 2018 period and a maximum value of 5,894 obtained by STTP in the 2021 period while the mean value was 42075 and the acquisition of all standard divisions was 572341.
4. Market valuation for the 2018-2021 period witnessed a minimum value of 11.21 obtained by HRTA for the 2018 period at a maximum of 921 points obtained by STTP for the 2021 period with a mean value of
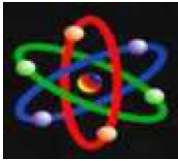
22.7010 and all gains at a standard deviation of 3.12236.

5. Stock returns during the 2018-2021 period witnessed a minimum value of 0.25 obtained by KAEF for the 2018 period and a maximum value of 1521.32 obtained by STTP in the 2021 period while the mean value was 91.5961 and the acquisition of all standard divisions was 254.76112.
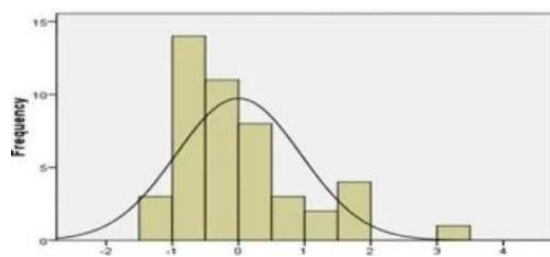

Figure 1. Histogram

The line in the histogram image is reluctant to deviate either to the left or to the right. In its results, it was found that the test process was carried out suggesting that the data were normally distributed.
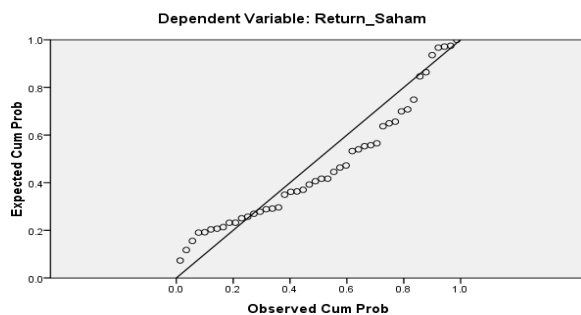

Figure 2. P-P Plot

In the figure above, we can see that the points are located in a straight line along the diagonal line. Then the researcher explained

that the test process was carried out showing that the n data were normally distributed.

One-Sample KolmogorovSmirnov Test		
		Unstandardized Residual
N		140
Normal Parameters[a,b]	Mean	0,00000
	Std. Deviation	3.24051233
Most Extreme	Absolute	.200

One-Sample KolmogorovSmirnov Test		
		Unstandardized Residual
N		140
Normal Parameters[a,b]	Mean	0,00000
	Std. Deviation	3.24051233
Most Extreme	Absolute	.200

Table 1. One-Sample Kolmogorov Smirnov Test

Differences	Positive	.224
	Negative	-.300
Kolmogorov-Smirnov Z		.423
Asymp. Sig. (2-tailed)		.352
a. Test distribution is Normal		
b. Calculated from data.		

Table 2. Kolmogorov-Smirnov Z
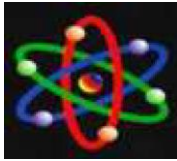
Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	(constant)		
	Profitability	.774	1.152
	Liquidity	.878	1.048
	Leverage	.857	1.322
	Market Valuation	.682	1.028

a. Dependent Variable: Return Saham

Table 3. Multicollinearity Test

Dependent Variable: Stock Returns In harmony in table 3, multicollinearity symptoms are reluctant to occur because it is obtained. VIF value value0,10. So because of that, profitability, liquidity, leverage, and market valuation are said to pass because they meet the criteria.

Runs Test

	Unstandardized Residual
Test Value[a]	.23786
Cases < Test Value	25
Cases >= Test Value	25
Total Cases	50
Number of Runs	20
Z	.450
Asymp. Sig. (2-tailed)	.483

a. Median

Table 4. Autocorrelation Test

describes the Test Value of 0.26796 in a significant number of 0.583, which is significant >0.05. Then it is said that H0 is accepted and the conclusion is that all

autocorrelation symptoms are reluctant to be found and there are normal characteristics.
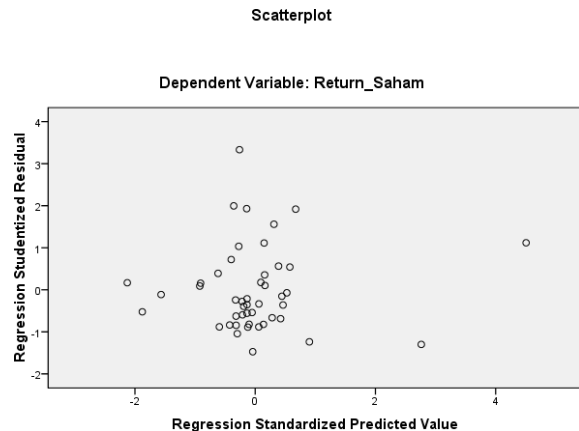

Figure 3. Heteroscedasticity Test

Through the test results on the heteroscedasticity of the image, it can be seen that there is no pattern on the graph. So it can be said that there are no symptoms of heteroscedasticity in the regression model used.

Coefficients[a]

Model		Sig.
1	(Constant)	.772
	Profitability	.792
	Liquidity	.534
	Leverage	.587
	Market Valuation	.766

a. Dependent Variable: Return Saham

Table 5. Gletser Test
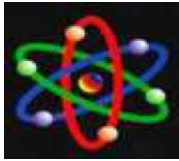
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficienis	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	26.275	12.359		1.883	.066
Profitability	.395	.307	.231	1.610	.114
Liquidity	-.017	.101	-.026	-.186	.853
Leverage	.123	.403	.045	.312	.756
Market Valuation	-.735	.447	-.255	-1.870	.067

a. Dependent Variable: Return Saham

Table 6. Multiple Linear Regression Analysis

Through table above Stock Return = 23,274 + 0.494 - 0.019 + 0.126 - 0.835

1. There is a constant value of 26,275. Where the variable Profitability, Liquidity, Leverage and Market Valuation is 0, in conclusion Profitability is 26,275.

2. Profitability coefficient value is 0.395 if the coefficient value shows that there is a positive value, then there is a bond between stock returns. If the liquidity variable expands to a unit value, it will cause an increase of 0.395 in stock returns.

3. The Liquidity coefficient value is -0.017, the presence of a negative value in the Working Capital coefficient indicates that there is an opposite direction in stock returns. So a decrease in the working capital variable of a unit value will cause a decrease of 0.017 in stock returns.

4. Leverage coefficient value is 0.123 if the coefficient value shows that there is a positive value, then there is a bond between

stock returns. If you expand the Sales Growth variable to a unit value, it will cause an increase of 0.123 in stock returns.

5. The value of the Market Valuation coefficient is -0.735. There is a negative value in the Market Valuation coefficient indicating that there is an opposite direction in stock returns. Then a decrease in the Market Valuation variable will result in a decrease of 0.735 in the stock return.

ANOVA^a

| Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	32.007	4	8.002	10.475	.024^b
	Residual	265.834	49	5.425		
	Total	297.841	53			

a. Dependent Variable: Return Saham

b. Predictors: (Constant), Profitability, Liquidity ,Leverage, Market Valuation

Table 7. F Test Results

Based on being tested F for all variables or in the simultaneous implementation that has been carried out, comparing the values of fhit and ftable in (df1) = 4 and (df2) = 50 obtained the acquisition of ftable 2.56 in a significant value of 0.05. It can be concluded that the fhitun is 10.475> 2.56 and the significance is 0.024 <25.

Coefficients^a

Model	Unstandardized Coefficients	Standardized Coefficients	T	Sig.
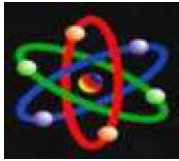
	B	Std. Error	Beta		
(Constant)	23.274	12.359		1.883	.066
1 Profitability	.494	.307	.231	1.610	.114
Liquidity Leverage	-.019	.101	-.026	-.186	.853
Market Valuation	.126	.403	.045	.312	.756
Profitability Liquidity	-.835	.447	-.255	-1.870	.067

a. Dependent Variable: Return Shares

Table 8. T Test Result

There is a calculated value of tcount>ttable and is bound to have influence. Table 3.8 shows the ttable value and the average value of 0.05 in degrees of freedom = 54–4 - 1=49, so the table value is 2.00958, so the partial value is:
1. Partial profitability is obtained tcount 1.6100.05. In conclusion
 the profitability variable has a positive and insignificant impact on stock returns.
2. Partial liquidity was found to be thit-0.1860.05. In conclusion, the liquidity variable has a negative and significant impact on stock returns
3. Leverage partially obtained tcount 0, 3120.05. In conclusion, the leverage variable has a positive and insignificant impact on stock returns.
4. Partial Market Valuation found thitun -1.8700.05. In conclusion, the market valuation variable has a negative and insignificant impact on stock returns.

CONCLUSIONS
Through the acquisition of studies and elaborations regarding the impact, variables of profitability, liquidity, leverage, and evaluating the market on stock returns, conclusions can be drawn in the form of:
1. Profitability has a positive and insignificant impact on the stock return of the manufacturing industry on the consumer goods industry sector which is listed on the IDX.
2. Liquidity has a negative and insignificant impact on the stock returns of manufacturing industries on the consumer goods industry sector listed on the IDX.
3. Leverage has a positive and insignificant impact on the stock returns of the manufacturing industry on the consumer goods industry sector listed on the IDX.
4. The market assessment has a negative and insignificant impact on the stock returns of the manufacturing industry on the industrial consumer goods sector on the IDX.
5. Profitability, liquidity, leverage, and market valuation will significantly and positively influence stock returns in the manufacturing industry for the consumer goods industry sector listed on the IDX.

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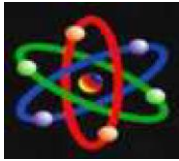
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