

DETERMINANT OF STOCK PRICE OF COAL MINING COMPANY LISTED ON BEI 2014-2018

Nita Mayam Puspitasari¹, Suhendro², Rosa Nikmatul Fajri³

Islam Batik University of Surakarta

nitamayamp@gmail.com, dro_s@yahoo.com, rosanikmatulfajri@mail.ac.id

Keywords : Share Price, Net Profit Margin, Return On Asset, Earning Per Share, Dividend Per Share.

Abstract : *Currently, the capital market business is very promising. Stock investment is in great demand with the hope of obtaining capital gains or dividends, so researchers want to know simultaneously and partially how the effect of Net Profit Margin (NPM), Return On Asset (ROA), Earning Per Share (EPS) and Dividend Per Share (DPS) on stock prices as respondents of coal mining companies listed on the IDX in 2014-2018 as many as 11 samples. Raw data from panel regression analysis is obtained from financial reports (www.idx.com), so the results are obtained simultaneously, Net Profit Margin (NPM), Return On Asset (ROA), Earning Per Share (EPS) and Dividend Per Share (DPS) have an effect. against the share price. The variable Net Profit Margin (NPM) partially has a negative effect on stock prices. The variable Return On Asset (ROA), Earning Per Share (EPS) and Dividend Per Share (DPS) has no effect on stock prices. The remaining coefficient of determination is 94% influenced by variables outside of this observation.*

1 INTRODUCTION

In the era of globalization, the business world is a very promising business, marked by the increasing number of companies that are experiencing rapid development, especially the capital market business in Indonesia. According to Tandililin (2018) the capital market is a meeting place for investors and issuers to trade securities.

Investment is an important factor in the country's economic growth. Investment is generally divided into two, namely real investment (eg land, buildings and gold) and financial investment (eg bonds, stocks and deposits). Financial investment is an investment that is widely known by investors, because this investment is considered quite easy and practical. Financial investment has a use, namely the invested funds are easy to withdraw and can be withdrawn at any time (Sambelay, 2017). Capital gains or dividends are common expectations of investors in the capital market. Capital gain is the difference between the selling price and the buying price of the shares.

Every year the company's stock price experiences instability where unstable share prices make it difficult for investors to invest, so investors should not be careless in investing their funds, they must consider various basic information. The fundamental thing before investing capital is to assess the company's performance from financial statements with ratio analysis (Indrawati, 2016).

The findings of several researchers include: Astuti's (2018) study of Net Profit Margin (NPM) has no impact on stock prices. However, in Watung & Ilat's (2016) research, Net Profit Margin (NPM) and Return on Assets (ROA) have an impact on stock prices. In contrast to Andriyanto & Khoirunnisa (2018), Return On Asset (ROA) and Earning Per Share (EPS) have no impact on stock prices. According to Yunarni, Yusril, & Selva (2017) Earning Per Share (EPS) has an impact on stock prices. According to Ishaq (2018) Earning Per Share (EPS) and Dividend Per Share (DPS) have an impact on stock prices. According to Oktavian, (2019) Earning Per Share (EPS) has an impact on stock prices and Dividend Per Share (DPS) has no impact on stock prices. The purpose of this study is to determine the effect of Net Profit Margin (NPM), Return On Asset (ROA), Earning Per Share (EPS) and Dividend Per Share (DPS) on stock prices simultaneously and partially.

2 LITERATURE REVIEW

Signal Theory

"Signaling theory is an information in the form of a signal given to investors so that investors can reconsider whether to invest or not" (Suwardjono, 2005). With a signal in the form of disclosing financial statements, investors will get information and predict future financial performance in the hope of getting an increase in share prices and dividend distribution on their investment (Yulia wati & Darmawan, 2019).

Shares

According to Darmadji & Fakhruddin (2006), stocks are a very popular instrument to increase company profits. Stocks are also in great demand by investors because of the benefits that can be said to be very tempting. Share means proof of ownership of a company or entity. According to Darmadji & Fakhruddin (2012) there are several types of shares, namely common stock and preferred stock.

Share Price

Share prices occur because of negotiations on the capital market. The closing price occurs on the last day of trading (Datu & Maredesa, 2017).

2.4 Research Hypothesis

- a. H_1 = Net Profit Margin (NPM), Return On Asset (ROA), Earning Per Share (EPS) affect stock prices
- b. H_2 = Net Profit Margin (NPM) has an effect on stock prices
- c. H_3 = Return On Asset (ROA) affects stock prices.
- d. H_4 = Earnings Per Share (EPS) has an effect on stock prices.
- e. H_5 = Dividend Per Share (DPS) has an effect on stock prices.

Framework

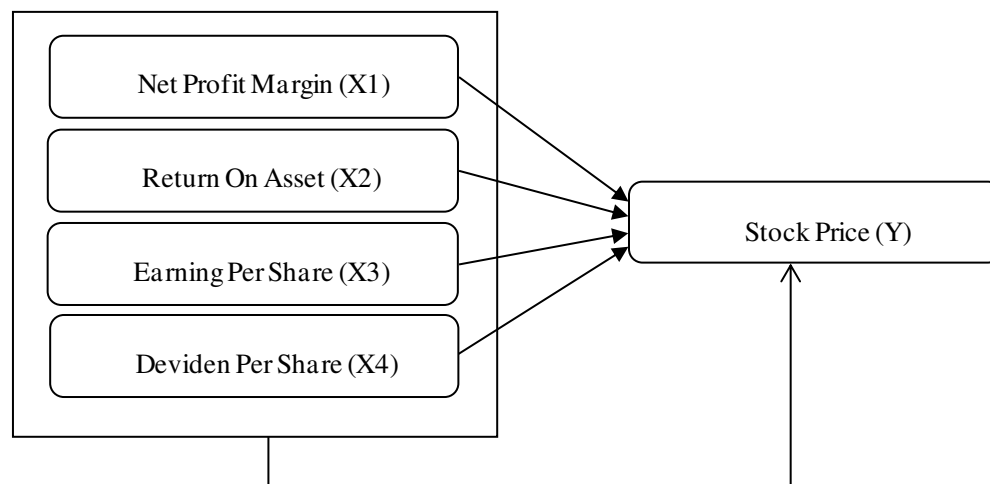


Figure 1. Thinking Framework

3 METHODOLOGY

Population and Sample

This type of quantitative observation uses 11 coal mining company respondents listed on the Indonesia Stock Exchange (IDX) for the 2014-2018 period with information / data obtained from financial reports. The research instrument used was documentation. purposive sampling is a technique used to collect data with the following criteria: (1) The company is listed on the Indonesia Stock Exchange in 2015-2019 (2) The company publishes financial reports for 4 (four) consecutive years (3) The company generates profits for 4 (four) consecutive years which were then analyzed using panel data regression.

Research and Measurement Variables

After the data is collected, data analysis will be carried out according to identification and grouping. The data analysis steps are as follows:

a. Stock price

The share price is obtained from the closing price occurring on the last day of capital market trading.

Net Profit Margin (NPM)

Net Profit Margin (NPM) is the net profit from sales. This ratio shows the gross profit from sales (Kasmir, 2012). The company's operations can be said to be good if the NPM value is high.

$$NPM = \frac{\text{Net Profit After Tax}}{\text{Sales}}$$

b. Return On Asset (ROA)

Return on assets (ROA) is a measure of the extent to which a company's ability to generate profits through its assets (Tandelilin, 2010). This means that investors can see the level of management effectiveness in managing assets.

$$ROA = \frac{\text{Net Profit After Tax}}{\text{Total Assets}}$$

c. Earning Per Share (EPS)

Earning Per Share (EPS) is the profit generated by the issuer for per share. Investors' interest in investing will increase by looking at the company's performance and stock prices. Darmadji & Hendi (2001) stated that EPS is the profit received by investors from each share owned.

$$EPS = \frac{\text{Net Profit After Tax}}{\text{Number of Shares Outstanding}}$$

d. Dividend Per Share (DPS)

Dividend per share is the profit received by investors which is equal to the number of shares owned by investors (Gallagher & Joseph, 2003).

$$DPS = \frac{\text{Cash Dividend}}{\text{Number of Shares Outstanding}}$$

4 FINDINGS AND DISCUSSION

From the normality test, it is obtained the Probability value of 0.15674 with a significance level of 0.05. Then the results of the normality test are normally distributed ($0.15674 > 0.05$).

The multicollinearity test showed that the variables of Net Profit Margin (NPM), Return On Asset (ROA), Earning Per Share (EPS), and Dividend Per Share (DPS) were less than 0.8, meaning that the research had no multicollinearity.

The results of the heteroscedasticity test in Table 5, which use a significance level of 0.05, state that there is no heteroscedasticity in this observation because the value is > 0.05 .

The results of the autocorrelation test showed that in this study there was no autocorrelation where dw was between du and $4-du$ ($1.4136 < 2.102670 < 2.2760$).

From the chow test, it is found that the fixed effect model is better to use where the Chi-Square Probability value is 0.0000 so that H_0 is rejected and H_1 is Received.

From the results of the Hausman test, it is found that the fixed effect model is better to use where the probability value is 0.0000 so that H_0 is rejected and H_1 is Received.

The results of the F test (simultaneous) obtained the value of $f_{count} > f_{table}$ ($61,07059 > 2.79$) and a significance of $0.0000 < 0.05$, meaning that simultaneously the variables of Net Profit Margin (NPM), Return On Asset (ROA), Earning Per Share (EPS) and Dividend Per Share (DPS) have a significant effect on stock prices.

The results of the t test showed that the variable Net Profit Margin (NPM) and Earning Per Share (EPS) had a negative effect on stock prices with a value of $-4,171497 < 2,009$ with a significance of $0.0002 < 0.05$ and $-2.457142 < 2,009$ with a significance of $0.0184 < 0.05$. The variables of Return On Asset and Dividend Per Share have no effect on stock prices with a value of $1.228028 < 2.009$ with a significance of $0.2266 > 0.05$ and $7.650791 > 2.009$ with a significance of 0.5634 .

Based on the results above, the variable in Table 12, the share price can be explained by 94% of this study. The rest of the stock price variable is influenced by variables outside the research model.

a. The Influence of Net Profit Margin, Return On Asset, Earning Per Share and Dividend Per Share on Stock Prices

Net Profit Margin, Return On Asset, Earning Per Share and Dividend Per Share simultaneously affect stock prices, the cause may be that the company is able to bring in and manage the profit obtained through the variables Profit Margin, Return On Asset, Earning Per Share and Dividend Per Share which supported by research Oktavian (2019) and Astuti (2018) which state that Net Profit Margin, Return On Asset, Earning Per Share and Dividend Per Share simultaneously affect stock prices.

b. The Effect of Net Profit Margin on Stock Prices

Net Profit Margin (NPM) has a significant negative effect on stock prices. Such high sales result in lower net profit, this is due to several causes, for example an increased cost of goods sold or a decreased share price. As a result of the effect of low Net Profit Margin (NPM) on stock prices, the company's low effectiveness in earning profits. Minimizing sales expenses and increasing company productivity are the right decisions to be taken by company owners as an effort to increase the level of investor confidence in investing. The results of this study are in line with research conducted by Kusumadewi, (2018).

c. The Effect of Return On Assets on Stock Prices

Return on assets (ROA) has no impact on stock prices. This can be due to the fact that company profit, which is one of the indicators for calculating Return On Assets (ROA), is not the only indicator of investor decision making on stock prices. This research is supported by Amalya's research (2018).

d. The Effect of Earning Per-Share on Stock Prices

Earning Per-Share does not have a significant effect on stock prices. This may occur because the company is not efficient enough to manage the profits that are likely to be spent by the company to pay debts, cost of goods sold, and other operating costs.

e. The Effect of Dividend Per-Share on Share Prices

Dividend Per-Share has no impact on share prices. This may be due to the fact that many companies do not provide dividends to shareholders.

5 CONCLUSION

The conclusion from the analysis and discussion shows that the variable Net Profit Margin (NPM), Return On Asset (ROA), Earning Per Share (EPS) and Dividend Per Share (DPS) simultaneously affect stock prices. Partially Net Profit Margin (NPM) has a negative and significant effect on stock prices, while Return On Asset (ROA), Earning Per Share (EPS) and Dividend Per Share (DPS) have no significant effect on stock prices. This observation year is still limited, namely only five years of research from 2014-2018. The sample of only Coal Mining Companies listed on the IDX in 2014-2018 is a limitation in this study, many companies in the Coal Mining group that are the sample of this study do not get profit, the research variable used is the independent variable (Net Profit Margin (NPM), Return On Asset (ROA), Earning Per Share (EPS), and Dividend Per Share (DPS)). So it is hoped that further research will increase the sample and variables in the study. This observation

year is still limited, namely only five years of research from the year 2014-2018. Limitations in this study are using a sample of Coal Mining Companies listed on the IDX, many respondents in the Coal Mining Group who are the samples of this study who do not get profit, the research variables used are the independent variable (Net Profit Margin (NPM), Return On Asset (ROA), Earning Per Share (EPS), and Dividend Per Share (DPS)). So it is hoped that further research will add to the sample and variables in the study.

REFERENCES

- Ahmed, I. (2018). Impact of Devidend Per Share and Earning Pershare On Stock Price : A Case Study From Pakistan (Textike Sector). *International Journal of Social Sciences, Humanities and Education*, Vol 2 (ISSN 2521-0041), 1-10.
- Amalya, N. T. (2018). Pengaruh Return On Asset, Return On Equity, Net Profit Margin, dan Debt To Equity Ratio Terhadap Harga Saham. *Jurnal SeKurities*, Vol 1, 157-181.
- Andriyanto, I., & Khoirunnisa, S. (2018). Pengaruh Return on Asset, Net Profit Margin, dan Earning Per Share Terhadap Harga Saham Perusahaan Rokok Go Public. *Jurnal Akuntansi Syariah*, Vol 1, 215-232.
- Astuti, O. D. (2018). Pengaruh Return On Asset (ROA), Earning Per Share (EPS), dan Net Profit Margin (NPM) Terhadap Harga Saham Pada Perusahaan Makanan dan Minuman Yang Terdaftar di Bursa Efek Indonesia (BEI) Periode 2014-2017. *Jurnal Ekonomi Manajemen*, Vol 4, 134-12.
- D, M. M., & Parabath, U. S. (2014). The Impact of Accounting Variables on Stock Price: Evidence from the Colombo Stock Exchange, Sri Lanka. *International Journal of Business and Management*, Vol 9, 125-137.
- Darmadji, T., & Fakhrudin, M. H. (2006). *Pasar Modal di Indonesia : Pendekatan Tanya Jawab*. Jakarta: Salemba Empat.
- Darmadji, T., & Hendi, M. F. (2012). *Pasar Modal di Indonesia. Edisi Ketiga*. Jakarta: Salemba Empat.
- Datu, C. V., & Maredesa, D. (2017). Pengaruh Deviden Per Share dan Earning Per Share Terhadap Harga Saham pada Perusahaan Go Public di Bursa Efek Indonesia. *Jurnal Riset Akuntansi Going Concern*, 1233-1241.
- Dewi, S. P., & Hidayat, R. (2014). Pengaruh Net Profit Margin dan Return on Assets terhadap Harga Saham. *Jurnal Ilman*, Vol 1, 1-10.
- Gallagher, T. J., & Joseph, D. A. (2003). *Financial Management: Theory and Practice*. USA: Prentice Hall.
- Haryanti, Y., & Murtiasih, S. (2019). The Effects of DER, ROA and DPR on Stock Price with EPS as the Moderating Variable in SOE. *IOSR Journal of Business and Management*, Vol 21, 01-08.
- Indirawati, L., Darmayanti, N., & Syakur, A. S. (2016). Pengaruh Earnings Per Share (EPS), Return on Equity (ROE), Return on Assets (ROA), dan Net Profit Margin (NPM) terhadap Harga Saham. *Prosiiding SNA MK*, 251-268.
- Kasmir. (2016). *Analisis Laporan Keuangan*. Jakarta: Raja Grafindo Persada.
- Kodithuwakku, S. (2016). Impact of Firm Specific Factors on the Stock Prices: A Case Study on Listed Manufacturing Companies in Colombo Stock Exchange. *International Journal for Research in Business, Management and Accounting*, Vol 2, 67-76.
- Maryati, M. (2012). Pengaruh Earning Per Share, Devidend Per Share dan Financial Lverage Terhadap Harga Saham pada Industri Perbankan yang Terdaftar di Bursa Efek Indonesia Periode 2007-2010. *Jurnal Ekonomi*.
- Sambelay, J. J., Rate, P. V., & Baramuli, D. N. (2017). Analisis Pengaruh Profitabilitas Terhadap Harga Saham Pada Perusahaan Yang Terdaftar Di LQ45 Periode 2012-2016. *Jurnal EMBA*, Vol 5, hal 753-761.
- Sutapa, I. N. (2018). Pengaruh Rasio dan Kinerjas Keuangan Terhadap Harga Saham Pada Indeks LQ45 Di Bursa Efek Indonesia Periode 2015-2016. *Jurnal KRISNA*, Vol 9, 11-19.
- Tandelilin, E. (2010). *Portofolio Dan Investasi, Teori Dan Aplikasi : Edisi Pertama*. Jogjakarta: Kanisius.

- Valenker, D. N., Chandani, A., & Ahuja, A. K. (2017). Impact of EPS and DPS on Stock Price : A Study of Selected Public Sector Banks Of India. *Prestige International Journal of Management & IT-Sanchayan*, Vol 6, 111-121.
- Warrad, L. H. (2017). The Effect of Market Valuation Measures on Stock Price: An Empirical Investigation on Jordanian Banks. *International Journal of Business and Social Science*, Vol 8, 67-74.
- Watung, R. W., & Ilat, V. (2016). Pengaruh Return On Asset (ROA), Net Profit Margin(NPM), dan Earning Per Share (EPS) Terhadap Harga Saham Pada Perusahaan Perbankan Di Indonesia Periode 2011-2015. *Jurnal EMBA*, Vol 4, 518-529.
- Widoatmodjo, S. (2005). *Cara Sehat Investasi di Pasar Modal*. Jakarta: PT Elex Media Computindo.
- Yulawati, & Darmawan. (2019). Rasio Keuangan dan Pengaruhnya Terhadap Harga Saham Syariah dengan Price Earning Ratio Sebagai Variabel Moderasi. *Jurnal Ekonomi dan Bisnis Islam*, Vol. 4, 109- 124.
- Yuliza, A. (2018). The Effects of Earnings Per Share and Firm Size to Stock Price LQ45 Company Listed in Indonesian Securities . *International Journal of Engineering & Technology*, 247-249.
- Yunarni, B. R., Yusril, M., & Selva. (2017). Analisis Pengaruh Earning Per Share, Devidend Per Share dan Financial Lverage Terhadap Harga Saham Perusahaan Yang Manufaktur Yang Terdaftar Di Bursa Efek Indonesia Periode 2013 -2016. *Jurnal Ilmiah Mandala Education*, Vol 3, 367-380.

TABLE**Table 1. Sample Selection Process**

No	Information	Total
1	Coal mining companies listed on the Indonesia Stock Exchange in 2014-2018	25
2	Companies that did not make a profit during 2014-2018	(14)
3	Sampled Coal Mining Companies	11
4	Year of research observation	5
Number of samples obtained		55

Table 2. Descriptive Statistics Results

Information	Minimum	Maximum	Mean	Std.Deviation
NPM (X ₁)	100000	124067	113654,4	6447,787
ROA (X ₂)	100000	139327	128513,0	9669,169
EPS (X ₃)	-76961	352064	211866,4	100369,8
DPS (X ₄)	-41599	100000	87315,71	29193,01
HS	169897	431597	311678,7	69361,95

Table 3. Normality Test Results

Jarque-Berra	Probability	Std	Conclusion
3,876853	0,143930	>0,05	Normal

Table 4. Multicollinearity Test Results

	NPM	ROA	EPS	DPS
NPM	1,0000	0,796067	-0,693383	0,308421
ROA	0,796067	1,000000	-0,556664	0,268351
EPS	-0,693383	-0,556664	1,000000	-0,210270
DPS	0,308421	0,268351	-0,210270	1,000000

Table 5. Heteroscedasticity Test Results

Variable	Unstandarized Residual	Coefficient	Conclusion
NPM	0,9945	>0,05	No Heteroscedasticity
ROA	0,4616	>0,05	No Heteroscedasticity
EPS	0,1298	>0,05	No Heteroscedasticity
DPS	0,4672	>0,05	No Heteroscedasticity

Table 6. Autocorrelation Test

Model	Durbin-Watson	Provisions	Conclusion
1	2,102670	DU < DW < 4-DU	There is no autocorrelation

Tabel 7. Hasil Uji Chow

Fixed Effect	Probability
Cross-section F	0,0000
Cross-section Chi-Square	0,0000

Table 8. Hausman Test Results

Test Summary	chi-sq. Statstic	Probability
Cross-section Random	48,899266	0,0000

Table 9. Panel Data Regression Analysis Results

Variable	Coefficient	t-statistics	Probability
C	772672.0	7,650791	0,0000
NPM	-4,576861	-4,171497	0,0002
ROA	0,8698845	1,228028	0,2266
EPS	-0,213486	-2,457142	0,0184
DPS	-0,072831	-0,582607	0,5634

$$Y = 772672,0 - 4,576861\text{NPM} + 0,8698845\text{ROA} - 0,213486\text{EPS} - 0,072831\text{DPS} + e$$

Table 10. F Test Results

F-table	F-count	Probability	Std.	Conclusion
2,79	61,07059	0,0000	0,05	Eligible Regression Model

Table 11. t test results

Variable	t-table	t-count	Probability	Std.	Conclusion
NPM (H ₁)	2,099	-4,171497	0,0002	<0,05	Rejected
ROA (H ₂)	2,009	1,228028	0,2266	<0,05	Received
EPS (H ₃)	2,009	-2,457142	0,0184	<0,05	Rejected
DPS (H ₄)	2,009	7,650791	0,5634	<0,05	Received

Table 12. Result of Adjusted R² Coefficient of Determination

Adjusted R Square	Conclusion
0,94	The dependent variable can be explained by the independent variable