# Determining Factors of Stock Return in Companies Listed on the Indonesia Stock Exchange

I Gede Wira Pratama[1,], Ni Nyoman Ayu Suryandari[1], and Gde Bagus Brahma Putra
[1]Faculty of Economics and Business, Mahasaraswati University Denpasar

**Abstract.** Return is one of the factors that motivates investors to divest. Investors or holders do various ways to get the desired return, by conducting their own analysis on the trading behavior of a stock, or by using the means already provided by analysts in the capital market. This research aims to find out the factors that affect stock returns consisting of Earnings Per Share (EPS), Price to Earning Ratio (PER), Price Book Value (PBV), Return On Assets (ROA) and Return On Equity (ROE). This research sample consists of 41 mining sub-sector companies listed on the Indonesia Stock Exchange in 2018-2019 using purposive sampling methods. Data analysis techniques use multiple linear regressions The results of the analysis show that simultaneously independent variables affect dependent variables. While partially only PBV and ROA have a positive influence on the return of shares in mining companies listed on the Indonesia Stock Exchange in 2018-2019, EPS and ROE have a negative influence on the return of shares in mining companies listed on the Indonesia Stock Exchange in 2018-2019. And per variables have no effect on the return of shares in mining companies listed on the Indonesia Stock Exchange in 2018-2019.

## 1 Introduction

### 1.1 Background

Accounting research on the capital market uses *returns* stockas one of the variables, generally as the dependent variable. *return* Stockis the rate of return on share ownership by investors by investing their funds in a public company, where the investor will get two forms of returns from investing on these shares, namely in the form of *yields* and *capital gains.* Research on *returns has* stockmany factors that can be used as a parameter. Of these various factors, among others, are fundamental factors such as company financial information and market or stock information.

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*Corresponding author : a.suryandari@ymail.com

The size of the rate of return and risk lies not only in buying and selling transactions in the capital market, but is also influenced by investment decisions in the type and field of business chosen. One of the business sectors that requires a thorough feasibility assessment and large amounts of investment is mining companies.

Mining companies are a high-risk and capital-intensive industry. Mining has several characteristics, namely non-renewable resources, having a relatively higher risk, and its exploitation having relatively higher environmental impacts, both physical and social, compared to the exploitation of other commodities in general.

There are several types of risks in the mining sector, namely (exploration) related to the uncertainty of finding reserves (production), technology risk related to cost uncertainty, market risk related to price changes, and government policy risk related to changes in domestic taxes and prices. These risks are related to the magnitude that affects business profits, namely production, prices, costs and taxes. Businesses that have a higher risk demand a higher*rate of return*. *Return* is one of the factors that motivates investors to interact and is also a reward for investors' courage in taking risks for their investments (Tandelilin, 2010).

The motive of investors to invest in securities is to get *return* a maximum(rate of return) with a certain risk or to obtain a *return* certainat a minimum risk. To be able to produce the *return* that investors want in the future, analysis is needed to determine whether the shares in the market reflect the true value of the company's shares being traded. Investors' assessment of a company's stock includes paying attention to the performance of the company that issued the shares. Therefore, *returns are* stockvery important for companies because they are used as a measure of the performance of a company, so the company is responsible for maintaining and improving its performance which can affect *returns* stockso that the invested stock portfolio increases (Hanani, 2011 in Antara, 2012) .

This study will re-examine the effect of several financial ratios that are still inconsistent with previous studies such as EPS, PER, PBV, ROA and ROE and their effect on *returns* stock. Referring to previous research, this research still uses financial statement information sources. The object of this research is carried out on stocks that are active as research samples, namely stocks that are included in the shares of mining sector companies listed on the Indonesia Stock Exchange. Shares of mining sector companies are selected based on the data obtained, it is known that the average price movement of mining shares has increased and provides quite high dividends in 2018-2019, so that investors can get *capital gains* quite high.

## 2 Literature review

### 2.1 Signaling theory

Brigham and Houston's (2011)is an action taken by a company to provide guidance to investors about how management views the company's prospects. This signal is in the form of information about what management has done to realize the owner's wishes. The information released by the company is important, because it affects the investment decisions of parties outside the company. This information is important for investors and business people because information essentially provides information, notes or descriptions, both for the past, present and future conditions for the survival of the company and how it affects the company.

Signaling theory explains why companies have the urge to provide financial statement information to external parties. The encouragement of companies to provide information is

because there is information asymmetry between the company and outside parties because the company knows more about the company and its future prospects than outside parties (investors and creditors). Lack of information for outsiders about the company causes them to protect themselves by charging the company low prices. Lack of information also causes investors to lack confidence in the Company.

## 2.2 Hypothesis

### 2.2.1 Effect of earning per share on stock return

EPS is a ratio that measures the success of management in achieving benefits for shareholders (Kasmir, 2011: 197). In general, shareholders or potential shareholders have a strong interest in the EPS ratio as a ratio of profit to invested funds. The better the quality of the(*earningsearnings),* company'sthe higher the profit on the sale of shares (*stock return) of the* company (Solechan, 2008 in Oktaviani 2011). The increase in EPS can certainly generate a positive response by the market, so that it can increase *returns* stock.

$H_1$ : The EPS ratio has a positive effect on *returns* stockin mining companies listed on the Indonesia Stock Exchange in 2018-2019.

### 2.2.2 The influence of price to earning ratio on stock return

According to Winda (2012), *Price Earning Ratio* (PER) is the ratio between the share price and the income of each share, and is an indicator of the development or growth of the company in the future (*prospects of the firm*). The higher the PER, the higher the prospect of a company's stock price is considered by investors to be higher in terms of earnings per share, so that the higher PER also indicates the more expensive the shares are to its income (Malintan, 2013).

$H_2$ : The PER ratio has a negative effect on *returns* stockin mining companies listed on the Indonesia Stock Exchange in 2018-2019.

### 2.2.3 The effect of price to book value on stock returns

According to Ang (1997) *Price to Book Value* (PBV) is a*market ratio*used to measure the performance of the stock market price against its book value. The higher the ratio of *Price to Book Value* (PBV), which indicates the more successful the company is in creating value for shareholders (Ang, 1997). This is in accordance with the *Signaling theory* where with the information obtained from the signals provided by the company, investors will find out how much the company value is. The better the company value, the more interested investors will be to invest their funds. That way the stock price will rise and the *return will* stockalso go up.

$H_3$ = PBV ratio has a positive effect on *returns* stockin mining companies listed on the Indonesia Stock Exchange in 2018-2019.

### 2.2.4 The effect of return on assets on stock returns

ROA is a financial indicator that describes the company's ability to generate return on total assets owned by the company (Fakhruddin, 2008: 170). ROA is the ratio used to measure the company's ability to generate profits from investor activities (Mardiyanto, 2009: 196).

Based on these definitions, it can be concluded that ROA is a measure of the company's effectiveness in generating net income by utilizing its resources (*assets*). This ratio measures the company's ability to generate profits based on a certain asset level, so that the *Return on Assets* (ROA) shows the more effective the company is in using total assets. According to Hery (2016), the higher the return on assets, the higher the amount of net profit generated from each rupiah fund that is embedded in total assets, so that the *return* stockis higher. Conversely, the lower the return on assets, the lower the amount of net profit generated from each rupiah of funds invested in total assets, so that the *return* stockwill be lower.

$H_4$ = ROA ratio has a positive effect on *returns* stockin mining companies listed on the Indonesia Stock Exchange in 2018-2019.

### 2.2.5 Effect of return on equity on stock return

ROE is a ratio that compares net income to the capital itself. Thus, a high ROE reflects a sign that a company has been successful in streamlining profitability by utilizing its equity. Companies that are able to generate profits will influence investors and potential investors to invest. This increase is able to attract investors to buy shares at a high price if they estimate the company's ROE level will increase. An increased ROE will cause the selling value of the company to increase as well which will have an impact on an increase in stock prices, so that the *return* company'swill also increase (Putra, 2018).

$H_5$ = ROE ratio has a positive effect on *returns* stockin mining companies listed on the Indonesian Stock Exchange in 2018-2019.

# 3 Research methods

## 3.1 Samples

Sample is a part of the population used to estimate the characteristics of the population "(Erlina, 2008: 75). The companies that were sampled were mining companies listed on the Indonesia Stock Exchange in 2018-2019. The sampling method used was purposive *sampling technique,* which is a sampling technique based on certain criteria with several considerations.

As for the author of the sampling criteria are as follows:

1) The mining company which is consistently listed*(listing)*in Indonesia Stock Exchange in 2018-2019.

2) The company consistently publishes annual financial reports (*annual reports* ) complete with the data required for this research during the 2018-2019 research period.

Based on the criteria that have been stated, these criteria are able to help the samples taken later match the research objectives and can solve research problems. Therefore, of the existing 49 research population companies, only 41 companies can be used as research samples because these companies have met the specified research criteria.

## 3.2 Variable operational definition Variable operational

Definition used in mining companies listed on the Indonesia Stock Exchange, namely using independent variables consisting of *Earning Per Share, Price to Earning Ratio, Price to Book Value, Return On Assets* and *Return On Equity* with the following explanation :

1. *Earning Per Share is* used to measure the success of management in achieving profits for the owner of the company. According to Kasmir (2014) the EPS calculation formula is as follows:

$$Earning\ Per\ Share = \frac{Profit\ after\ tax}{Number\ of\ shares\ outstanding} \qquad (1)$$

2. *Price to Earning Ratio is* used for measures how investors assess the company's future growth prospects, and is reflected in the share price investors are willing to pay for each profit the company receives. According to Gitman & Zutter (2012) PER can be calculated by the formula:

$$Price\ to\ Earning\ Ratio = \frac{share\ price\ per\ share}{Income\ per\ share} \qquad (2)$$

3. *Price to Book Value* is a comparison of market value a share against its own book value. According to Gitman & Zutter (2012) PBV can be calculated with the formula:

$$Price\ to\ Book\ ValueBook\ value = Share\ \frac{price}{per\ share} \qquad (3)$$

4. *Return On Assets* is a measure of how much profit net that can be obtained from all the assets (assets) owned by the company. According to Kasmir (2014) ROA can be calculated with the formula:

$$Return\ On\ Assets = \frac{Net\ Profit\ of}{Assets}\ x\ 100\% \qquad (4)$$

5. *Return on Equity* is the ratio between net income with its own capital. So, ROE can be interpreted as a success of a company in getting profits for shareholders. According to Kasmir (2014) ROE can be calculated by the formula:

$$Return\ On\ Equity = \frac{Net\ Profit\ on}{Capital}\ x\ 100\% \qquad (5)$$

6. Shares are securities which owned by companies that can be traded by individuals or institutions on the Indonesia Stock Exchange. Investors buy shares of certain companies because *returns* of the expected and realized stockin the future in the form of *yields* and *capital gains.returns* Stockobtained by using the formula (Gitman & Zutter, 2012):

$$Return\ \text{Equity} = \frac{Pt - Pt-1}{Pt-1}. \qquad (6)$$

Description:

      Pt       : *Closing price* for the current year period

      Pt-1     : *Closing price* for the previous year

# 4 Results and discussion

## 4.1 Descriptive Statistics Descriptive

statistical tests aim to provide an overview or description of data seen from the number of samples, minimum value, maximum value, value(*meanmean*), and standard deviation of each variable in a study. The results of descriptive statistical analysis can be seen in Table 1 as follows:

**Table 1.** Descriptive Statistics

|  | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| EPS | 82 | -259.00 | 3513.00 | 230.7379 | 583.07807 |
| PER | 82 | -1629.92 | 1912.88 | 32.0966 | 299.00397 |
| PBV | 82 | -806.99 | 51.48 | -9.4265 | 93.85420 |
| ROA | 82 | -20.17 | 49.49 | 5.8267 | 10.51363 |
| ROE | 82 | -189.78 | 85.43 | 10.7262 | 30.95526 |
| RS | 82 | -.97 | 10.45 | .1755 | 1.34109 |
| Valid N (listwise) | 82 |  |  |  |  |

Table 1 above shows that the number of observations of mining companies listed on the Indonesia Stock Exchange in 2018-2019 is 82 data. *Thereturn* lowest stock(minimum) is -97% and the *return* highest stock(maximum) is 10.45%. From the results above, it can be seen that the average stock return (mean) changes in return in a positive direction with an average stock return of 0.17%. This indicates that during 2018 to 2019, in general the stock prices of the companies sampled in this study have increased. The standard deviation of *returns* stockof 1.34%, which is greater than the average value of *returns* stock, means that *return* this stockhas a large distribution.

The EPS variable has the smallest value (minimum) of -259.00% and the largest value (maximum) of 3513.00%. The average (*mean*) of. EPS is 230.73% with a standard deviation value of 583.07%. This shows that the data on the EPS variable have a large distribution because the standard deviation value is much greater than the average value.

The PER variable has the smallest (minimum) value of -1629.92% and the largest (maximum) value of 1912.88%. The average (*mean*) of PER was 32.09% with a standard deviation of 299.00%. This means that the data on the PER variable has a large distribution because the standard deviation value is greater than the average value.

The PBV variable has the smallest (minimum) value of -806.99% and the largest (maximum) value of 51.48%. The(*meanmean*) of PBV was -9.42% with a standard deviation of 93.85%. This means that the data on the PBV variable has a large distribution because the standard deviation value is greater than the average value.

The ROA variable has the smallest (minimum) value of -20.17% and the largest (maximum) value of 49.49%. The average (*mean*) of ROA was 5.82% with a standard deviation of 10.51%. This means that the data on the ROA variable has a large distribution because the standard deviation value is greater than the average value.

The ROE variable has the smallest (minimum) value of -189.78% and the largest (maximum) value of 85.43%. The average (*mean*) of ROE is 10.72% with a standard deviation value of 30.95% This means that the data on the ROE variable has a large distribution because the standard deviation value is greater than the average value

## 4.2 Multiple linear regression analysis

The model used in analyzing the effect of EPS, PER, PBV, ROA and ROE on *returns* stockon the Indonesia Stock Exchange is a multiple linear regression model with the help of SPSS and tested with a significance level of 5%. Multiple linear regression analysis is used to determine the extent of the influence of the independent variables on the dependent variable. The results of multiple linear regression tests can be shown in Table 2 below:

**Table 2.** Multiple linear regression analysis

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | t | Sig. | Tolerance | VIF |
| 1 | (Constant) | .095 | .144 | | .659 | .512 | | |
| | EPS | .000 | .000 | -.215 | -2.156 | .034 | .792 | 1.263 |
| | PER | -.001 | .000 | -.149 | -1.651 | .103 | .964 | 1.038 |
| | PBV | .005 | .002 | .319 | 2.801 | .006 | .607 | 1.647 |
| | ROA | .075 | .012 | .633 | 6.170 | .000 | .748 | 1.337 |
| | ROE | -.021 | .005 | -.486 | -4.047 | .000 | .546 | 1.832 |

a. Dependent Variable: RS

Based on Table 2 above, the multiple linear regression equation can be arranged as follows:

RS = 0.095 - 4.94E-4 EPS -0.001 PER + 0.005 PBV + 0.075 ROA - 0.021 ROE

1. A constant value of 0.095 means that if EPS, PER, PBV, ROA and ROE are 0, then the company's stock return is 0.095.
2. The EPS variable has a regression coefficient of -4.94E-4, meaning that an increase in EPS of one unit will cause a decrease in *returns* stockof 4.94E-4 units, assuming that the other independent variables are constant.
3. The PER variable has a regression coefficient of -0.001 and a significance of 0.103, so PER has no effect on *returns* stock.
4. The PBV variable has a regression coefficient of 0.005, meaning that an increase in PBV of one unit will cause an increase in *returns* stockof 0.005 units, assuming that the other independent variables are constant.
5. The ROA variable has a regression coefficient of 0.075, which means that an increase in ROA of one unit will cause an increase in *returns* stockof 0.075 units, assuming that the other independent variables are constant.
6. The ROE variable has a regression coefficient of -0.021, meaning that an increase in ROE of one unit will cause a decrease in *returns* stockof 0.021 units, assuming that other independent variables are constant.

## 4.3 Classic assumption test

### 4.3.1 Normality The normality

This test is carried out to test whether in a regression model, the residue of the regression equation has a normal distribution or not. A good regression model is one that has a normal distribution. The method used is to use the Kolmogorov-Smirnov statistic. A regression model is said to have normal data if thecoefficient *Asymp. Sig (2-tailed)* is greater than $\alpha = 0.05$. The Kolmogorov-Smirnov test results can be seen in Table 3 below:

**Table** 3. Normality test

|  |  | Unstandardized Residual |
|---|---|---|
| N |  | 82 |
| Normal Parameters[a,b] | Mean | .0000000 |
|  | Std. Deviation | 1.03645802 |
| Most Extreme Differences | Absolute | .256 |
|  | Positive | .256 |
|  | Negative | -.141 |
| Kolmogorov-Smirnov Z |  | 1.279 |
| Asymp. Sig. (2-tailed) |  | .076 |

a. Test distribution is Normal.

The results of the normality test using the Kolmogorov-Smirnov test show that the data has been normally distributed, this is indicated by the Konglomogorov-Smirnov test which shows the magnitude of thevalue *Asymp. Sig (2-tailed)* = 0.076> 0.05.

## 4.3.2 Multicollinearity test Multicollinearity

Aims to test whether the regression model found a correlation between independent variables. Symptoms of multicollinearity can be detected by looking at thevalues *Tolerance* and *Variance Inflation Factor* (VIF). Ghozali (2016) states that if thevalue *Tolerance* = 0.10 or the VIF value = 10, then in this model there is no multicollinearity symptom. The results of the multicollinearity test analysis using SPSS are presented in Table 4 below:

**Table 4.** Multicollinearity test

| Model |  | Collinearity Statistics | |
|---|---|---|---|
|  |  | Tolerance | VIF |
| 1 | (Constant) |  |  |
|  | EPS | .792 | 1.263 |
|  | PER | .964 | 1.038 |
|  | PBV | .607 | 1.647 |
|  | ROA | .748 | 1.337 |
|  | ROE | .546 | 1.832 |

Based on the results of the analysis presented in Table 5, it can be seen that no independent variable has avalue *Tolerance* less than 0.10 and a VIF value smaller than 0.10. This means that the model does not have multicollinearity symptoms.

## 4.3.3 Heteroscedasticity

The heteroscedasticity test aims to test whether in the regression model there is an inequality of variants from the residuals of one observation to another. Symptoms of heteroscedasticity can be detected using the Glejser test. If the independent variable is statistically significant in affecting the dependent variable, then there is an indication of heteroscedasticity (Ghozali, 20016). The results of the Glejser Test analysis can be seen in Table 5 below:

**Table 5.** Heteroscedasticity test

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | .626 | .182 | | 3.435 | .001 |
| | EPS | .000 | .000 | -.136 | -1.074 | .286 |
| | PER | -9.6E-005 | .001 | -.021 | -.186 | .853 |
| | PBV | .000 | .002 | -.020 | -.136 | .892 |
| | ROA | .024 | .015 | .205 | 1.577 | .119 |
| | ROE | .001 | .007 | .013 | .085 | .932 |

a. Dependent Variable: ABRES

The Glejser test in Table 5 shows that none of the independent variables statistically significant affect the dependent variable ofvalue *Absolute Residual*. This can be seen from the probability of significance> 0.05 or above the 5% confidence level so that it can be concluded that there are no symptoms of heteroscedasticity in the regression model.

### 4.3.4 AutocorrelationThe autocorrelation

testtest aims to test whether in the linear regression model there is a correlation between confounding error in period t and confounding error in period t-1 (previous). The method used is thetest *Durbin-Watson*. The autocorrelation test can be seen in Table 6 below:

**Table 6.** Autocorrelation test

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|---|---|---|---|---|---|
| 1 | .635a | .403 | .363 | 1.07001 | 1.979 |

a. Predictors: (Constant), ROE, PER, EPS, ROA, PBV

b. Dependent Variable: RS

The autocorrelation test results show that the DW value is 1.979 with a value of d$_U$ 1.772. Because thevalue of *dstatistic1.979* is in accordance with the criteria d$_U$ <d <4-d$_U$ (1.772 <1.979 <2,228), the Durbin-Watson test is in an area where there is no autocorrelation, which means that in this regression model there are no autocorrelation symptoms.

## 4.4. Simultaneous Test

**Table 7.** Simultaneous test

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 58.666 | 5 | 11.733 | 10.248 | .000a |
| | Residual | 87.014 | 76 | 1.145 | | |
| | Total | 145.680 | 81 | | | |

a. Predictors: (Constant), ROE, PER, EPS, ROA, PBV

b. Dependent Variable: RS

Based on Table 8 above, it can be seen that the significance value of 0.000 is smaller than 0.05, so the model is said to be *fit* with the observed data. In addition, a significance value of less than 0.05 can also indicate that together the independent variable has an influence on the dependent variable.

## 4.5. Test Adjusted R Square

**Table 8.** Test adjusted R-square

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|---|---|---|---|---|---|
| 1 | .635a | .403 | .363 | 1.07001 | 1.979 |

a. Predictors: (Constant), ROE, PER, EPS, ROA, PBV

b. Dependent Variable: RS

Based on Table 9 above it can be seen that the value *of Adjusted R Square* is 0,363 or 36.3%. This means that 36.3% of the variation in *returns* stockcan be explained by variations of the five independent variables, namely EPS, PER, PBV, ROA and ROE while the remaining 63.7% is explained by other variables outside the model.

## 4.6 Partial test

**Table 9.** Partial test

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 | (Constant) | .095 | .144 | | .659 | .512 | | |
| | EPS | .000 | .000 | -.215 | -2.156 | .034 | .792 | 1.263 |
| | PER | -.001 | .000 | -.149 | -1.651 | .103 | .964 | 1.038 |
| | PBV | .005 | .002 | .319 | 2.801 | .006 | .607 | 1.647 |
| | ROA | .075 | .012 | .633 | 6.170 | .000 | .748 | 1.337 |
| | ROE | -.021 | .005 | -.486 | -4.047 | .000 | .546 | 1.832 |

a. Dependent Variable: RS

Table 9Based on the above it can be seen the relationship of independent variables partially with the dependent variable as follows:
a)  Variable EPS shows t value of -2.156 with a significance value of 0.034 less than 0.05 . This means that EPS has a negative effect on *returns* stock. So the EPS hypothesis which states that EPS has a positive effect on *returns is* stockrejected.
b)  The PER variable shows the t value of -1.651 with a significance value of 0.103, greater than 0.05. This means that PER has no effect on *returns* stock. So the PER hypothesis which states that PER has a negative effect on *returns is* stockrejected.
c)  The PBV variable shows a t value of 2.801 with a significance value of 0.006, less than 0.05. This means that PBV has a positive effect on *retrun* stock. So that the PBV hypothesis which states that PBV has a positive effect on *returns is* stockaccepted.
d)  The ROA variable shows a t value of 6.170 with a significance value of 0.000, less than 0.05. This means that ROA has a positive effect on *retrun* stock. So that the ROA hypothesis which states ROA has a positive effect on *returns is* stockaccepted.
e)  The ROE variable shows a t value of -4.047 with a significance value of 0.000, less than 0.05. This means that ROE has a negative effect on *returns* stock. So that the ROE hypothesis which states that ROE has a positive effect on *returns is* stockrejected.

## 4.7 Hypothesis testing

### 4.7.1 Effect of Earning Per Share on stock returns

Based on the results of the t test it can be seen that the Variable *Earning Per Share* (EPS) showed negative regression coefficient value of 4.94E-4,value $_t$ of -2.156 with significant value 0,034 where it is smaller than 0.05, which means the first hypothesis is therefore rejected. This shows that the higher a company's EPS, the lower the *return* company's stock. The results of this study are in line with the results of research by

Nathaniel (2008), Susilowati (2011) and Wulandari (2012) which state that EPS has a negative effect on stock returns.

### 4.7.2 The Effect of Price to Earning Ratio on Stock Return

Based on the results of the t test it can be seen that the variable *Price to Earning Ratio* (PER) shows the value of the regression coefficient, the value of $t-_{count\ is}$ of -0.001-1.651 with a significant value of 0.103 which means that it is greater than 0.05, which means that the second hypothesis is rejected. The results of this study are in line with the results of research by Nathaniel (2008), Susilowati (2011) and Wulandari (2012) which state that EPS has a negative effect on stock returns.

### 4.7.3 Effect of Price to Book Value on Stock Return

Based on the results of the t test it can be seen that the variable *Price to Book Value* (PBV) showed regression coefficient of 0.005,value $_t$ of 2.801 with 0.006 significant value where it is smaller than 0.05, which means the third hypothesis is therefore acceptable. This shows that the higher the PBV of a company, the higher the *return* company's stock. The results of this study are in line with the results of research by Reza (2010) and Batu (2011) which state that PBV changes have a positive effect on *returns* stock.

### 4.7.4 Effect of Return On Assets on stock returnsreturns

Based on the results of the t test it can be seen that the variableon *assets* (ROA) showed regression coefficient of 0.075,value $_t$ of 2,801 with significant value 0,000 where it is smaller than 0.05, which means thus a fourth hypothesis is accepted. This shows that the higher a company's ROA, the higher the *return* company's stock. The results of this study are in line with the results of research by Budialim (2013), Reza (2010), Susilowati (2011), and Kurniawan (2013) which state that changes in ROA have a positive effect on *returns* stock.

### 4.7.5 Effect of Return On Equity on Stock Return

Based on the results of the t test, it can be seen that the variable *Return On Equity* (ROE) shows a regression coefficient value, thevalue $t-_{count}$ ofof -0.021-4.047 with a significant value of 0.000 which means less than 0, 05 which means that the fifth hypothesis is rejected. This shows that the higher the ROE of a company, the lower the *return* company's stock. The results of this study are in line with the results of Paul's (2019) research which states that ROE has a negative effect on *returns* stock.

# 5 Conclusions and suggestions

## 5.1 Conclusions

Based on the research results described above, it can be concluded in this study, namely:

1) Variable *Earning Per Share* (EPS) has a negative effect on *returns* stockin mining companies listed on the Indonesia Stock Exchange in 2018-2019.
2) Thevariable *Price to Earning Ratio* (PER)has no effect on *returns* stockin mining companies listed on the Indonesia Stock Exchange in 2018-2019.
3) Variable *Price Book Value* (PBV) has a positive effect on *returns* stockin mining companies listed on the Indonesia Stock Exchange in 2018-2019.
4) The variable *Return on Assets* (ROA) has a positive effect on *returns* stockin mining companies listed on the Indonesia Stock Exchange in 2018-2019.
5) The variable *Return On Equity* (ROE) has a negative effect on *returns* stockin mining companies listed on the Indonesia Stock Exchange in 2018-2019.

### 5.2 Suggestions

Based on the research results that have been described above, the authors can submit some suggestions in this study, namely:

1. For investors in making decisions should pay attention to the variables EPS, PBV, ROA and ROE which in this study proved to affect stock returns.
2. The value of *Adjusted R Square* in this study is 0.363 or 36.3%. This means that 36.3% of the variation in *returns* stockcan be explained by variations of the five independent variables, namely EPS, PER, PBV, ROA and ROE while the remaining 63.7% is explained by other variables outside the model. So that the next researchers can examine the effect of other ratios such as liquidity and solvency ratios in relation to stock returns.

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