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Earning Per Share, Dividend Payout Ratio, Stock Trading Volume, Total Assets Turnover and Market Value Added On The Stock Price Of Banking Companies

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ABSTRACT. Banking is one of the important pillars in economic growth in a country, including Indonesia. The development of banking companies can be seen from the stock prices of banking companies on the capital market. Price is an important indicator in investment activities, the determination of stock prices is controlled by market participants based on supply and demand. Several financial ratios can have an influence on stock prices, including earnings per share, dividend payout ratio, stock trading volume, total asset turnover, market value added. The purpose of the study was to examine the effect of earnings per share, dividend payout ratio, stock trading volume, total asset turnover, market value added on stock prices of banking companies in Indonesia. The population in this study are banking companies listed on the Indonesia Stock Exchange for the period 2018-2020. The sample of this study amounted to 12 companies with the number of observations as many as 36 companies. The sample selection was carried out by purposive sampling method and the data that had been collected was analyzed using multiple linear regression analysis techniques. The results showed that the earning per share and market value added variables had a positive effect on stock prices. While the dividend payout ratio variable, stock trading volume, total asset turnover have no effect on stock prices. The sample selection was carried out by purposive sampling method and the data that had been collected was analyzed using multiple linear regression analysis techniques. The results showed that the earning per share and market value added variables had a positive effect on stock prices. While the dividend payout ratio variable, stock trading volume, total asset turnover have no effect on stock prices. The sample selection was carried out by purposive sampling method and the data that had been collected was analyzed using multiple linear regression analysis techniques. The results showed that the earning per share and market value added variables had a positive effect on stock prices. While the dividend payout ratio variable, stock trading volume, total asset turnover have no effect on stock prices.

INTRODUCTION

The capital market and banking are two elements that play an important role in the financial system and economy of a country. Banking is everything related to banks, including institutions, business activities, as well as processes in carrying out business activities. Banks are now growing and developing, many banks are conducting IPOs to fulfill their capital through investors by selling shares in the capital market. Stocks are one of the most widely offered investment instruments by companies and are most in demand by investors. This is because stocks are able to provide a high level of profit with a certain level of risk, in investing profit is a factor that needs to be considered because it will affect stock prices.

Stock price variations are influenced by various internal and external factors. Internal factors include information from cash flow statements, profit information, financial ratios and other information related to the company's annual financial statements. Banking stocks are one of the most popular stocks. Over time, the banking sector was able to prove its existence in terms of performance and achievement of good results so that investors were interested in buying their shares again. Even some banking stocks that go public on the IDX are included in the most active stock category in the LQ 45 Index. However, at the end of 2019, the COVID-19 pandemic hit the business world and the national economy, which affected the performance of the banking industry in lending. This condition is in line with the stock performance of a number of top domestic banks. Reported from the daily news Ipotnews published (20 August 2020), accessed on 21 April 2021. He stated that the stock prices of a number of Book IV category banks had declined during the January-July 2020 period.

Based on data obtained from www.idx.co.id shows the increase in stock prices of banking companies every year, however, in 2020 there was a growth that was not as significant as in 2019. The increase in stock prices at the close of 2020 was only 1% from 2019 which rose by 11%. The phenomenon of a decline in the income of banking companies makes investors to be more careful in carrying out investment activities and will affect the performance of stock prices, resulting in a slowdown in the growth of banking stock prices. Where the better the company's performance, the greater the effect on stock prices. Vice versa, the lower the performance of a company, the more likely it is that the stock price will decline due to a lack of investment interest by investors. The condition of the company will be a benchmark for how much risk will be borne by investors. To ensure the

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condition of a company is in a good position or not, investors can use fundamental and technical analysis using financial ratio analysis, one of which is Earning Per Share (EPS), Dividend Payout Ratio (DPR), Stock Trading Volume, Total Asset Turnover (TATO) and Market Value Added (MVA).

LITERATURE REVIEW

Signaling Theory

Signal theory is an action taken by company management that provides clues for investors about how management views the company's prospect(1). The relevant signaling theory is used as a reference in this study because the signals and information circulating can influence the actions taken by investors, especially on stock price movements. The information required is complete, relevant, accurate and timely information which is needed by investors in the capital market as an analytical tool to make investment decisions. When the information is announced and all market participants have received the information, market participants first interpret and analyze the information as a good signal (good news) or a bad signal (bad news). If the announcement of the information is a good signal for investors, there will be a change in the volume of stock trading so that it will affect the stock price.The relationship between signal theory and the stock price of a company is where signal theory is the disclosure of signals in the form of information about a company's financial performance. The information is in the form of financial reports that help investors make investment decisions. A positive signal contains the disclosure of a company's information about good prospects in the future.

Stock Price

Share price is the price that occurs on the stock market at a certain time determined by market participants and determined by the demand and supply of the relevant shares in the capital market. Stock prices in the market often move together, that is, they go down together and go up together, although not for all types of stocks(2). Some types of stocks may move up, some move down, and some are stagnant (unchanged).

Earnings per Share

Earning Per Shareis the amount of income received by shareholders from each share of common stock outstanding in a certain period. An increase in earnings per share will affect the returns that investors are entitled to receive in the form of dividends and capital gains. The higher the EPS, the higher the stock, and conversely, the lower the EPS, the lower the stock, so investors are reluctant to invest.

Dividend Payout Ratio

Dividend payout ratio is the percentage of net profit after tax which is distributed as dividends to shareholders(3). The dividend payout ratio determines the amount of profit that can be retained as a source of funding. The larger this ratio means the less part of retained earnings to finance the investments made by the company.

Stock Trading Volume

Trading volume is a measure of the volume of certain shares traded, indicating the ease of trading these shares. The size of the trading volume variable is known by observing stock trading activities which can be seen through the trading volume activity indicator(4). Stock trading volume is important for an investor, because for investors the stock trading volume describes the condition of the stock. traded in the capital market.

Total Assets Turnover

TATO is a ratio that shows total asset turnover and measures sales earned.The higher the Total Assets Turnover ratio, the more efficient the use of overall assets in generating sales. In other words, the same number of assets can increase sales volume if the total asset turnover is increased or enlarged(5).

Market Value Added

*Market Value Added*is the added value provided by the company to the financier as seen through the difference between the market value of equity and equity (own capital). The MVA value shows the company's ability to create value-added capital of a share. The greater the MVA value, the greater the added value of capital given to investors, so that it will increase investor interest in the company's shares, which will increase the stock price, or MVA is positively related to stock prices.

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RESULTS AND DISCUSSION

Descriptive statistics

	N	Minimum	Maximum	Mean	Std. Deviation
EPS	36	15.17	1158.79	302.0475	323,73313
DPR	36	1.27	265.15	50.9451	48.70225
VPS	36	.00	.38	.0606	.07224
TATTOO	36	.03	.10	.0636	.01628
MVA	36	-12.89	649.95	90.8219	179,95890
HS	36	206.00	33850.00	5562.1111	8334.43024

The amount of data used as a sample is 36 banking companies on the IDX during 2018-2020 with 6 research variables, namely Earning Per Share, Dividend Payout Ratio, Stock Trading Volume, Total Asset Turnover, Market Value Added and Stock Price. The results of descriptive statistics, there are various descriptive information of the variables used. The output of the Statistical Product and Service Solution (SPSS) display shows the number of samples used as many as 36 (n).

Multiple linear regression

		B	**Beta**	**T**	**Sig.**
1	(Constant)	1794,601		.829	.413
	EPS	15,708	.610	7.373	.000
	DPR	13,829	.081	1.503	.143
	VPS	-6578,634	-.057	-1,000	.325
	TATTOO	-51433,135	-.100	-1,545	.133
	MVA	21,883	.473	6.031	.000

The constant coefficient value is 1794,601 meaning that if earnings per share (EPS), dividend payout ratio (DPR), stock trading volume (VPS), total asset turnover (TATO), market value added (MVA) is equal to zero, then the stock price (Y) is 1794,601.
Earnings per share (EPS) regression coefficient is 15.708 with a significant value of 0.000 less than 0.05, this means that if earnings per share (EPS) increase by one unit, the stock price (Y) will increase by 15.708 assuming other variables are constant.
The market value added (MVA) regression coefficient is 21.883 with a significant value of 0.000 less than 0.05, this means that if the market value added (MVA) increases by one unit, the stock price (Y) will increase by 21.883 assuming other variables are constant.

Normality

N	36
Test Statistics	.218
asymp. Sig. (2-tailed)	.195c

The table of test results shows that the Asymp values. Sig (2-tailed) of 0.195. These results indicate that the regression equation model is normally distributed because of the Asymp value. Sig (2-tailed) 0.195 is greater than alpha 0.05.

Multicollinearity

	Tolerance	VIF
(Constant)		
EPS	.380	2,633
DPR	.900	1.111
VPS	.799	1.251
TATTOO	.615	1.625

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MVA	.424	2,361

All variables have value*tolerance* which > 0.10 with a VIF value 10, it can be concluded that there is no symptom of multicollinearity between the independent variables in the regression model.

Autocorrelation

Model	Durbin-Watson
1	1,913

The table of test results shows that the Durbin Watson value in this study is 1.913 for n = 36 and k = 5, so the du value is 1.7987. The value of 4 – du is 4 – 1.7987 = 2.2013. Therefore, Durbin Watson's value is at du < dw < 4 – du or 1.7987 < 1.913 < 2.2013, so it can be concluded that there is no autocorrelation.

Heteroscedasticity

Model

		B	Beta	T	Sig.
1	(Constant)	-669,420		-.611	.546
	EPS	.597	.126	.553	.584
	DPR	4.393	.139	.943	.353
	VPS	5228,870	.246	1.568	.127
	TATTOO	20377.047	.216	1,208	.236
	MVA	3.342	.392	1.818	.079

The test resultsshows that the significance value is > 0.05. Therefore, it can be concluded that there is no symptom of heteroscedasticity in the regression model.

F Test

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	2241531210.298	5	448306242.060	70,911	.000b
Residual	189664249.257	30	6322141,642		
Total	2431195459,556	35			

The calculated F value is 70.911 with a significance of 0.000 which is smaller than 0.05. Then the regression model is said to be fit or feasible to be used for further tests. These results mean that the five independent variables are able to predict or explain stock prices in the banking companies studied during the 2018-2020 period. This means that simultaneously Earning Per Share, Dividend Payout Ratio, Stock Trading Volume, Total Asset Turnover, Market Value Added have a significant effect on the stock price of a company.

R2 Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.960a	.922	.909	2514.38693

The value of the coefficient of determination (Adjusted R2) is 0.909 or 90.9 percent. This means that the stock price (Y) in banking companies during the 2018-2020 period is 90.9 percent influenced by earnings per share (EPS), dividend payout ratio (DPR), stock trading volume (VPS), total asset turnover (TATO). , market value added (MVA). While the remaining 9.1 percent is influenced by other factors that are not included in the research model.

T test

		B	T	Sig.
1	(Constant)	1794,601	.829	.413
	EPS	15,708	7.373	.000
	DPR	13,829	1.503	.143
	VPS	-6578,634	-1,000	.325

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TATTOO	-51433,135	-1,545	.133
MVA	21,883	6.031	.000

Earning Per Share (EPS)
The results of the t-test calculation in the table show the regression coefficient of earnings per share is 15.708, the t-count value is 7.373 with a significance value of 0.000 where the value is smaller than the 0.05 significance level so that H1 is accepted. This means that earnings per share (EPS) has a positive effect on stock prices.
Dividend Payout Ratio(DPR)
The results of the t test calculation in the table show the regression coefficient value *dividend payout ratio* as big as 13,829, the t-count value is 1.503 with a significance value of 0.143 where the value is greater than 0.05 so H2 is rejected. This means that the dividend payout ratio (DPR) has no effect on stock prices.
Stock Trading Volume
The results of the t-test calculation in the table show the regression coefficient value of stock trading volume is -6578.634, the t-count value is -1,000 with a significance value of 0.325 where the value is greater than 0.05 so H3 is rejected. This means that the stock trading volume (VPS) has no effect on the stock price.
Total Asset Turnover
The results of the t-test calculation in the table show the total asset turnover regression coefficient is -51433,135, the t-count value is -1.545 with a significance value of 0.133 where the value is greater than 0.05 so H4 is rejected. This means that total asset turnover (TATO) has no effect on stock prices.
Market Value Added (MVA)
The results of the t-test calculation in the table show that the market value added regression coefficient is 21.883, the t-count value is 6.031 with a significance value of 0.000 where the value is smaller than 0.05 so H5 is accepted. This means that market value added (MVA) has a positive effect on stock prices.

CONCLUSION

Effect of Earning Per Share on Stock Price

Based on the results of multiple linear regression test shows that earnings per share (EPS) has a coefficient value of 15.708 with a significance value of 0.000 <0.05. This means that earnings per share (EPS) has a positive effect on stock prices. Earning per Share describes the amount of rupiah earned for each share of common stock or net income per share of common stock. A high EPS value can be used as a positive signal from company management to investors to provide an overview of the profits earned by the company in generating net profits from each share, so that investors' assessment of the company will be high, it causes stock prices to increase or vice versa decrease in EPS value. will lower the stock price. Based on a high EPS, it will certainly increase the interest of investors to invest or buy shares in the company. The higher the EPS value, of course, the shareholders are happy because the greater the profit provided to shareholders. If the company's EPS is high, more investors will want to buy the shares, causing the stock price to be high.

The Effect of Dividend Payout Ratio on Stock Price

Based on the results of multiple linear regression, it shows that the dividend payout ratio (DPR) has a coefficient value of 13.829 with a significance value of 0.143 > 0.05 so that the dividend payout ratio (DPR) has no effect on stock prices. The results of the study show that the Dividend Payout Ratio is not one of the main factors that significantly affect stock prices. The dividend payment policy made and announced in the annual financial statements is not relevant information for investors in making investment decisions. Because the company's policy is also influenced by external factors such as the condition of the Indonesian economy that occurred in the year of the study. Investors also assume that if dividend payments are made on a large scale it can reduce the company's internal financing (cash) so that it can disrupt the financing of the company's activities. The company's stock price will increase or decrease regardless of dividend payments. According to investors, the company's stock price is not seen from its dividends. Even high dividends do not reflect a high stock price if the book value is also high.

Effect of Stock Trading Volume on Stock Price

Based on the results of multiple linear regression test shows that the stock trading volume (VPS) has a coefficient value of -6578.634 with a significance value of 0.325 > 0.05. This means that the stock trading volume (VPS) has no effect on the stock price. Trading volume is not only influenced by the size of the trading frequency but is also influenced by the value of the trade or transaction. This indicates that a stock has a high trading volume and the stock is declared as an actively traded stock, but a stock with a high trading volume does

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not guarantee that the company will generate a high stock return. Investors in buying shares pay less attention to the amount of trading volume that occurs. On the other hand, This indicates that the increase in the number of trading volumes does not always affect the stock price. Where if the price rises, but is not followed by an increase in trading volume, technical analysts are generally skeptical of the upward trend in prices. The movement of price increases with a certain pattern, followed by a very high increase in sales volume is generally interpreted as market conditions will experience a decline in prices.

The Effect of Total Assets Turnover on Stock Prices

Based on the results of multiple linear regression test shows that total asset turnover (TATO) has a coefficient value of -51433,135 with a significance value of 0.133 > 0.05. This means that total asset turnover (TATO) has no effect on stock prices. TATO shows the overall efficiency of the company's assets in generating company sales. The higher the TATO, the more productive the total assets in generating sales. However, the high and low TATO does not always indicate an interest in the shares of a company. This is because investors are not concerned with the large number of sales of a company but are more concerned with the large amount of profit earned by the company, because the ability of all assets to create sales may not necessarily increase profits. Besides that, there are also other factors that have more influence on stock prices compared to TATO, so that in this study, TATO has no effect on stock prices. Different research objects and time spans can lead to different research results. Or because the value of the assets used by the company to support sales activities is unstable.

Effect of Market Value Added on Stock Prices

Based on the results of multiple linear regression test shows that market value added (MVA) has a coefficient value of 21.883 with a significance value of 0.000 <0.05. This means that market value added (MVA) has a positive effect on stock prices. Market Value Added is an effective investment tool that presents a market assessment of the company's performance. If the market values the company more than the value of the invested capital, it means that management is able to create value for shareholders to invest their shares in the company. The success of management in creating value for shareholders will give a positive signal to investors and shareholders to invest their shares in the company. The larger the MVA, the more successful the work of management in managing the company. A large MVA indicates that management is successful in managing the company. The larger the MVA value will also increase the stock price.

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