

Factors Affecting the Ups and Downs of Stock Prices in Food and Beverage Subsector Companies Listed on the IDX for the Period 2020-2022

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Abstract

This study analyzes the Return On Assets and Debt to Equity Ratio on the ups and downs of Stock Prices in Food and Beverage companies listed on the Indonesia Stock Exchange (IDX) for 2020-2022. This study uses a purposive sampling method with 20 food and beverage sub-sector companies as samples. The variables used are ROA, DER, and Stock Price. This study uses a quantitative approach and data collection sourced from secondary data by collecting data on the financial statements of food and beverage sub-sector companies listed on the Indonesia Stock Exchange (IDX) and other sources such as the official websites of related companies. The data analysis used is descriptive statistics, classical assumption test, multiple linear regression analysis, and hypothesis testing. The results shown in this study are (1) partial Return On Asset (ROA) has no significant effect on stock prices, (2) partial Debt Equity Ratio (DER) has no significant effect on stock prices, and (3) simultaneously Return On Asset (ROA) and Debt Equity Ratio (DER) have no significant effect on stock prices.

Keywords: *ROA, DER, Stock Price, Food and Beverage*

INTRODUCTION

In the era of globalization, technological developments from year to year are increasingly sophisticated. This also makes competition between business people to think more creatively to come up with ideas that will benefit the company. The company is an organization that has the aim of making a profit. A company can be said to be successful in managing its business if the share price offered continues to increase. The share price offered each year experiences ups and downs, but this cannot be ascertained. One of the companies that experience ups and downs in stock prices is the food and beverage sub-sector company.

Food and beverage sub-sector companies are companies engaged in the food and beverage industry, be it manufacturing, packaging, or how to serve it. Food and beverage companies are one of the fastest growing companies, especially in Indonesia. During the second quarter of 2020, the consumer goods industry sector fell 14.41%. One of them is the food and beverage sub-sector, the affected issuers include PT Campina Ice Cream Industry Tbk (CAMP) which fell by 6.93% with a share price of IDR 188 / share, PT Sekar Bumi Tbk (SKBM) fell by 6.83% with a share price of IDR 300 / share, PT Indofood Sukses Makmur Tbk (INDF) fell by 4.6% with a share price of IDR 6.225 / share, PT Sariguna Primatirta Tbk (CLEO) fell by 4.27% with a share price of Rp 404 / share, and PT Indofood CBP Sukses Makmur Tbk (ICBP) which fell by 3.97% with a share price of Rp 725 / share. (“CNBCIndonesia,” 2020)

The decline in stock prices in the food and beverage sub-sector in the second quarter of 2020 occurred as a result of the COVID-19 pandemic which limited purchases in the lower middle segment and a lack of consumer confidence in the upper middle segment. This affected the growth in the food and beverage sub-sector in 2020, which only reached 0.51%. (“Bisnis.Com,” 2021). Two factors cause the rise and fall of stock prices, namely internal and external. Internal factors of the rise and fall of stock prices such as sales, financial performance,

management performance, the condition of a company, and where the company's industry runs. In addition, external factors of the rise and fall of stock prices include inflation, interest rates, foreign exchange rates, social conditions, politics, etc. (Martalena & Maya Malinda, 2019)

The decline in stock prices, especially in the food and beverage sector, is caused by micro and macro factors. The causes of the ups and downs of stock prices on macro factors include the growth of Gross Domestic Product (GDP), inflation, interest rates, and currency exchange rates. As for micro factors, fluctuations in stock prices are caused by profitability and solvency ratios or debt and profit. (Fatmawati & Hermafiani, n.d.)

Shares are proof of capital ownership in a company. Shares take the form of a piece of paper that clearly states the nominal value, the name of the company, and the rights and obligations that have been described for each holder. (Fahmi, 2015:80). according to (Hermuningsih, 2012:78) In general, in the capital market, there are two types of shares, namely; the first is Ordinary Shares which consist of several types such as Featured Shares, Growth Shares, Defensive Shares, Cyclical Shares, Seasonal Shares, and Speculative Shares. The second type, Preferred Stock, is one of the securities sold by the Company where the holders will receive dividends every three months (Irham, 2013:37).

According to (Jogiyanto, 2018:143) suggests that the stock price is the price that occurs in the stock exchange market at a certain time where the price is determined by market participants based on demand and supply. (Handini & Dyah, 2020:56) said one indicator of the success of a company can be seen from the high and low price of the shares offered. Two factors affect stock prices, namely internal and external. Internal factors include announcements about marketing, funding, the management board of directors, taking diversification, investment, and employment. While external factors are government announcements, law, the securities industry, politics, and exchange rate fluctuations.

Fundamental analysis predicts stock prices in this study using two ratios which include ROA (*Return On Asset*) and DER (*Debt to Equity Ratio*). ROA itself greatly influences investors to invest which will have an impact on the level of sales of the company's shares. (Moniga, 2013). *Return On Assets* is a ratio that shows how much assets contribute to creating net income. In other words, this ratio is used to measure how much net profit will be generated from each rupiah of funds embedded in total assets. A company can be said to be good if it has a high ROA value, this can attract investors to invest in the company. According to research conducted (Siampa et al., 2020) that the ROA variable (*Return On Asset*) has a significant effect on stock prices, this is inversely proportional to research (Suyanto & Nursanti, 2017) states that ROA has no significant effect on stock prices.

Debt to Equity Ratio (DER) is a comparison between capital and debt of the Company, low debt indicates a safe position of the Company. (Solihin & Sulistyowati, n.d.). According to (Kasmir, 2019:159) explains that the *Debt to Equity Ratio* is a financial ratio used to assess debt with company equity. This ratio is used to determine the total funds provided by borrowers (creditors) with company owners. In other words, how much of the rupiah value of the company's capital is used as debt collateral. Based on research that has been done (Novalddin et al., 2020) that the *Debt to Equity Ratio* variable has a significant effect on stock prices. This is inversely proportional to research from (Anwar, 2021) *Debt to Equity Ratio* has an insignificant effect on stock prices in food and beverage companies on the Indonesia Stock Exchange in the future by estimating fundamental factors that affect future stock prices and connecting variables to know the estimated stock price. (Hasan, 2006). *Debt to Equity Ratio* insignificant effect on stock prices in food and beverage companies on the Indonesia Stock Exchange.

RESEARCH METHODS

This research uses a descriptive method. The problem discussed is the factors that affect the ups and downs of stock prices in food and beverage companies listed on the IDX in 2020-2022. The approach used in this research is quantitative. The data used is secondary data, namely in the form of annual financial reports of food and beverage companies published by the Indonesia Stock Exchange in 2020-2022. The data in this study uses data obtained on the website www.idx.com. and also the company's official website.

RESULT AND DISCUSSION

According to (Ghozali, 2021:19) Descriptive statistics contain assessment data in the form of minimum, maximum, average (mean), and standard deviation values. It can be seen from the results of the IBM SPSS 22 output that N or the total amount of data for all variables is 60 companies. The results of descriptive statistical calculations show that the independent variable, namely Stock Price, has the lowest value of 3,912 and the highest value of 9,317, then for the dependent variable, namely ROA and DER, has the lowest value where ROA is 0.000 and DER is 0.122. The highest value for ROA is 0.951 and for DER is 7.941. The Normality Test is used to check whether the sample data follows a normal distribution pattern. The ideal regression model has a normal or near-normal data distribution. In this study, the normality test was carried out using the One-Sample Kolmogrov-Smirnov Test. If the value of Asymp. Sig. (2-tailed) is more than 0.05, the residuals are normally distributed. Conversely, if the value of Asymp. Sig. (2-tailed) is less than 0.05, the residuals are not normally distributed. The processing results using SPSS obtained the significant value of Kolmogrov-Smirnov is 0.075. These results indicate that the data in this study are normally distributed because of the value of Asymp. Sig. (2-tailed) > 0.05. According to (Ghozali, 2021:157) Multicollinearity test is used to test whether there is a correlation between regression and independent variables. If the tolerance value <0.10 and the VIF value > 10, multicollinearity occurs. It can be seen that the Tolerance value is 0.997 > 0.10. While the VIF value is 1.003 < 10.00. It can be said that the VIF value on these variables is smaller than 10 so that in the Multicollinearity test it can be concluded that there are no multicollinearity symptoms.. The heteroscedasticity test aims to check whether there are differences in the variance of residuals between observations in the regression model. If the significance value (p-value) for each independent variable statistically influences the dependent variable, then there is heteroscedasticity. Conversely, if the p-value is greater than 0.05, then there is no heteroscedasticity. It can be seen that the significance value (Sig), for the ROA variable (X1) is 0.173 > 0.05 and DER (X2) is 0.461 > 0.05. Thus, in this study, there are no symptoms of heteroscedasticity in the Return On Asset (ROA) and Debt to Equity Ratio (DER) variables. The Autocorrelation test aims to determine whether there is a relationship between errors that occur in the current period (t) and errors that occurred in the previous period (t-1) in a linear regression model. A good regression model is free from autocorrelation. The Durbin-Watson test can be used to detect the presence of autocorrelation in a regression model. It can be seen that the Durbin-Watson value is 0.862. Then obtained, K = 2 and N = 60, it is found that the value of dL = 1.514 and dU = 1.651. The Durbin Watson value of 0.862 is smaller than dU, namely 1.651, and smaller than (4-dU), namely 2.349. So it can be concluded that there are symptoms of autocorrelation. To overcome the symptoms of autocorrelation, the Cochren Orcutt method is carried out and obtained, K = 2 and N = 59, then the value of dL = 1.509 and dU = 1.649 is found. These results show that the Durbin Watson value of 1.664 is greater than dU, which is 1.649, and smaller than (4-dU), which is 2.351. So it can be concluded that the

autocorrelation value after using the Cochran Orcutt method does not have autocorrelation symptoms.

According to (Ghozali, 2021:8) Multiple linear regression analysis is used to test the effect of several independent variables on the dependent variable. The following are the results of multiple linear regression:

Table 1. Multiple Linear Regression

Model		Coefficients				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.201	.186		17.228	.000
	Lag_X1	1.101	1.079	.134	1.020	.312
	Lag_X2	-.101	.111	-.120	-.910	.367

a. Dependent Variable: Lag_Y

Source: SPSS Output Results, 2024

Based on the table above, the multiple linear regression equation is:

$$Y = 3,201 + 1,101 X1 - 0,101 X2 + e$$

The multiple linear regression equation can be interpreted:

- 1) The constant value is 3,201 which means it shows that if ROA and DER have a value of zero or none, the stock price will be 3,201.
- 2) ROA has a regression coefficient value of 1.101 and is positive, this indicates that every 100% increase in ROA, the stock price will increase by 1.101 with the assumption that other variables are constant.
- 3) DER has a regression coefficient value of -0.101 and is negative, this indicates that every 100% increase in DER, the stock price will decrease by 0.101 assuming other variables are constant.

The results of the t-statistical test in Table 1 can be explained as follows:

- 1) ROA has a significance value of 0.312 > 0.05 and t count 1.020 < t table 2.003. So it can be concluded that partially there is no significant influence between ROA and Stock Price.
- 2) DER has a significance value of 0.367 > 0.05 and t count -0.910 < t table 2.003. So it can be concluded that partially there is no significant influence between DER and Stock Price.

Table 2. Simultaneous Test Results (F Test)

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3.137	2	1.569	1.018	.368 ^b
	Residual	86.272	56	1.541		
	Total	89.409	58			

a. Dependent Variable: Lag_Y

b. Predictors: (Constant), Lag_X2, Lag_X1

Source: SPSS Output Results, 2024

To test the hypothesis in the table above, the F test is carried out with the formula = (n-k-1). Where "k" is the number of independent variables (X) while "n" is the number of research samples. In this study the number of k = 2 and n = 59. So that = 59-2-1 = 56 is obtained. Based on the table above, the significance value is 0.368 > 0.05. In addition, the calculated F value is

$1.018 < F$ table 3.16. So it can be concluded that ROA and DER simultaneously do not affect Stock Price.

Table 3. T-test Results

Model		Coefficients				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.201	.186		17.228	.000
	Lag_X1	1.101	1.079	.134	1.020	.312
	Lag_X2	-.101	.111	-.120	-.910	.367

a. Dependent Variable: Lag_Y

Source: SPSS Output Results, 2024

Based on the table partially, shows that:

- 1) ROA has a significance value of $0.312 > 0.05$ and t count $1.020 < t$ table 2.003. So it can be concluded that partially there is no significant influence between ROA and Stock Price.
- 2) DER has a significance value of $0.367 > 0.05$ and t count $-0.910 < t$ table 2.003. So it can be concluded that partially there is no significant influence between DER and Stock Price.

Table 4. Coefficient of Determination

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.187 ^a	.035	.001	1.24120

a. Predictors: (Constant), Lag_X2, Lag_X1

Source: SPSS Output Results, 2024

Based on the table above, the R Square value is 0.035, so the coefficient of determination is 3.5%, which means that ROA and DER simultaneously affect stock prices, while the rest ($100\% - 3.5\% = 96.5\%$) is influenced by other variables not examined.

Effect of Return on Asset (ROA) on Stock Price

Based on the results of the study, shows that the level of company profitability as measured by *Return On Asset (ROA)* is T count 1.020, which means that the relationship between ROA and stock prices is complex and not always positive. A partial t-test with a comparison value of 0.05 results in t count smaller than t table 2.003 which means that *Return On Asset* partially has no positive effect on stock prices. This study supports research conducted by (Zulkarnain et al., 2021) which says that *Return on Asset (ROA)* does not affect stock prices. The higher the ROA value, the higher the profitability of the company. This is also a general understanding that if the company is profitable, then its share price will increase. Conversely, the lower the ROA value, the lower the level of company profitability which will have an impact on the share price.

Effect of Debt to Equity Ratio (DER) on Stock Price

Based on the research results, the value of t count and t table with the expected coefficient value of 0.05 results in t count $-0.910 < t$ table 2.003 which means that the *Debt to Equity Ratio (DER)* partially does not have a significant effect on the share price of *food and beverage* subsector companies for the 2020-2022 period, so the results of this study are declared

unacceptable. This study supports research conducted by (Saputro & Yuliati, 2022) which states that *Debt to Equity Ratio (DER)* does not affect stock prices. This may be due to different interpretations of DER, so investors do not use DER as a reference in making investment decisions. This study shows that the high total assets of a company do not always reflect a high rate of return on investment. Conversely, companies with small total assets do not always generate low returns.

The Effect of Return on Assets (ROA) and Debt to Equity Ratio (DER) on Stock Price

Based on the results of the research analysis, the simultaneous F test and the calculated f value show that ROA (X1), and DER (X2), have a coefficient value of $0.368 > 0.05$, which means that both variables have a significant value greater than 0.05. Based on the comparison of f count and f table, it is found that the value of f count (1.018) is smaller than the value of f table (3.16). Overall, ROA and DER do not show a strong relationship with Stock Price when analyzed together or the same as H3 is declared unacceptable. This study supports research conducted by (Zakaria, 2021) which states that simultaneously ROA and DER do not affect stock prices. This is the same as where if the *Debt to Equity Ratio* is low, it can show that a company uses little outside capital and if the *Return On Assets* is high, the company can fulfill its obligations. However, when the DER value is high and ROA is low, the company uses a lot of funding from outside parties as a result, the income earned will decrease because the funds obtained from outside parties are partly used to pay company debt.

CONCLUSION

This study reveals that the results of testing the research hypothesis have no simultaneous influence between Return On Assets and Debt to Equity Ratio on Stock Prices in companies engaged in the food and beverage sector listed on the IDX during the period 2020-2022. However, partial Return on Assets (ROA) has no effect on stock prices and Debt to Equity Ratio (DER) partially does not affect stock prices in food and beverage companies listed on the IDX for the period 2020-2022.

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