



# The Effect of Earnings Per Share, Return on Assets and Debt To Equity Ratio on Stock Prices In Mining Sector Companies Listed on The Indonesia Stock Exchange Period 2015-2019

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## ARTICLE INFO

## ABSTRACT

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This study aims to examine and analyze the effect of Earning Per Share, Return On Assets and Debt to Equity Ratio have an effect on stock prices in mining sector companies listed on the Indonesia Stock Exchange for the 2015-2019 period. The research method used in this study uses quantitative research methods with quantitative descriptive research that is explanatory research. The population of this research is all mining sub-sector companies listed on the Indonesia Stock Exchange totaling 43 companies. The sample of this research is 11 companies with purposive sampling technique. The data analysis method used is multiple linear regression. The results of the f test where  $f_{count} 15.364 > f_{table} 2.79$  with a significant level  $< 0.05$  shows R Earning Per Share, Return On Assets and Debt to Equity Ratio simultaneously affect stock prices in mining sector companies listed on the Stock Exchange. Indonesian Securities for the 2015-2019 period. The results of the t-test research where the Earning Per Share and Debt to Equity Ratio variables do not have a significant effect on stock prices in mining sector companies listed on the Indonesia Stock Exchange for the 2015-2019 period and only return on assets has an effect on stock prices in mining sector companies that listed on the Indonesia Stock Exchange for the 2015-2019 period. The results of the analysis of the coefficient of determination obtained the Adjusted R<sup>2</sup> value of 0.473, meaning that the variation of the Earning Per Share, Return On Assets and Debt to Equity Ratio variables in explaining the Stock Price variable is 47.3%, while the remaining 52.7% is explained by another

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## 1. Introduction

The stock price is the price formed on the stock exchange. In general, the share price is obtained to calculate the share value. The farther away the difference is, the more this reflects too little of the information that flows through the stock exchange. Therefore, the price of the stock tends to be influenced by the psychology of the buyer or seller. In order to prevent this from happening, the company should at any time provide sufficient information to the stock exchange, as long as the information has an impact on the stock market price.

This attempt to include how to calculate the actual share price has been carried out by each analysis with the aim of obtaining a satisfactory level of profit. However, it is difficult for investors to continue if they beat the market and get an abnormal level of profit. This is because there are variables that affect the price of these shares, in fact these variables are included in a calculation model that can be used in owning which shares to include in the portfolio.



## 2. Method

The research method used in this study uses quantitative research methods with quantitative descriptive research that is explanatory research. The population of this study is all mining sub-sector companies listed on the Indonesia Stock Exchange totaling 43 companies,

The sample of this research is 11 companies with purposive sampling technique. The data analysis method used is multiple linear regression

The data collection techniques in this study were obtained through documentation studies, by looking for data or supporting theories through books, journals and articles related to the issues that were researched to describe the problem being researched and collecting secondary data from the official financial accounting firm's report. Indonesia Stock Exchange 2015-2019 period

The population that is used in this study is the mining sector company totaling 43 companies. The sampling technique in this study uses purposive sampling. Some of the criteria that must be met by the company in order to be used as a sample are: Mining Sector which is not listed for 2015-2019 period and Mining Sector which has negative profit for 2015-2019 period. From these criteria, the total number of sample data used in this study is 65 samples which were taken from the total number of 13 samples multiplied by 5 according to the research period, namely 5 years. To determine the effect of the independent and dependent variables, the multiple linear analysis formula is used as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Dimana :

Y = Harga Saham

X<sub>1</sub> = Earning Per Share

X<sub>2</sub> = Return On Assets

X<sub>3</sub> =Debt to Equity Ratio

b1-3 = Koefisien parsial untuk masing-masing variabel X<sub>1</sub>, X<sub>2</sub>, X<sub>3</sub>

## 3. Result and Analysis

The data that has been collected in this study will be processed by SPSS. Data processing will start from descriptive data, then classical assumptions to test the hypothesis.

### 3.1 Descriptive Data

Hasil Analisis Statistik Deskriptif					
Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Earning Per Share	55	.000	47.777	4.74651	11.594226
Return On Assets	55	.000	.390	.09473	.097332
Debt to Equity Ratio	55	.170	3.880	.97145	.818654
Harga Saham	55	56.00	22775.00	2244.1818	4737.50649
Valid N. (listwise)	55				

Fig 1. Descriptive Statistical Analysis Results

Source: Research Results, 2021

The table shows the minimum value, maximum value, average value (mean), and standard deviation of the earnings per share variable (X<sub>1</sub>), return on assets (X<sub>2</sub>), debt to equity ratio (X<sub>3</sub>), and stock price (Y). ) with details of the return on assets variable has a total sample of 60, with a minimum value of 0.02 at PT. Lautan Luas, Tbk in 2015 and a maximum value of 0.31 at PT. Tigaraksa Satria, Tbk in 2019 while the average value (mean) was 0.1313 with a standard deviation of 0.06675. The variable Current Ratio has a sample size of 60, with a minimum value of 0.72 at PT. Midi Utama Indonesia, Tbk in 2017 and a maximum score of 8.08 at PT. Ace Hardware Indonesia, Tbk in 2019 while the average value (mean) is 2.1475 with a standard deviation of 1.66125. The Inventory Turnover variable has a total sample of 60, with a minimum value of 2.87 at PT. Ace Hardware Indonesia, Tbk in 2018 and a maximum score of 17.77 at PT. Tigaraksa Satria, Tbk in 2019 while the average value (mean) is 7.3022 with a standard deviation of 2.58789. The Earning Pershare variable has a sample size of 60, with a minimum value of 0.06 at PT. Millennium



Pharmacon International, Tbk in 2019 and a maximum score of 12.33 at PT. United Tractor, Tbk in 2018 while the average value (mean) is 2.5373 with a standard deviation of 2.58084

### 3.2 Classic Assumptions

#### a. Normality

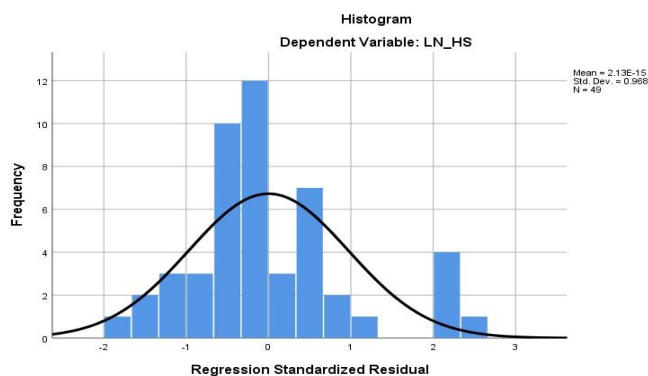


Fig 2. Histogram Normality Test After Transformed to Ln  
Source: Research Results, 2021

From the image above, the resulting image is in the shape of a bell and there are no lines that criss-cross to the left or right, indicating that the data is normal.

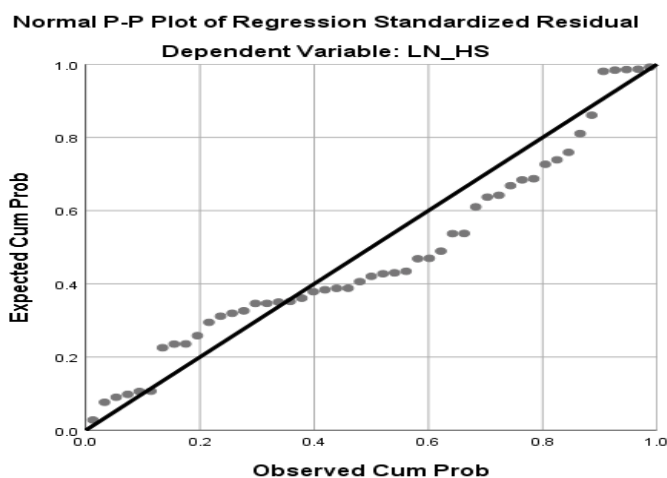


Fig 3. Probability Plot Normality Test After Transformed to Ln  
Source: Research Results, 2021

In the picture above, the point moves to follow the diagonal line so that it can be concluded that the data is normal.

**Table 1.**  
Kolmogorov Smirnov Normality Test After Transformation to Ln  
**One-Sample Kolmogorov-Smirnov Test**

		Unstandardized iResidual
N		49
Normal iParameters <sup>a,b</sup>	Mean	.0000000
	Std. iDeviation	1.03328441
Most iExtreme iDifferences	Absolute	.144
	Positive	.144
	Negative	-.096
Test iStatistic		.144
Asymp. iSig. i(2-tailed)		.013 <sup>c</sup>
Monte iCarlo iSig. i(2-tailed)	Sig.	.242 <sup>d</sup>

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized iResidual
99% iConfidence iInterval	Lower iBound	.231
	Upper iBound	.253

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.
- d. Based on 10000 sampled tables with starting seed 926214481.

Source: Research Results, 2021

Based on the table above, the significant result obtained is 0.242, which means it is above 0.05 so the data is declared normal.

**b. Multicollinearity Test**

**Table 2.**  
Multicollinearity Test Results After Transformed to Ln

Model	Coefficients <sup>a</sup>					Collinearity iStatistics		
	Unstandardized iCoefficients		Standardized iCoefficients		t	Sig.	Tolerance	VIF
	B	Std. iError	Beta					
(Constant)	9.449	.680			13.889	.000		
LN_EPS	.016	.060	.032		.261	.796	.722	1.384
LN_ROA	1.039	.221	.699		4.705	.000	.498	2.009
LN_DER	-.041	.341	-.020		-.120	.905	.413	2.423

Dependent Variable: LN\_HS

Source: Research Results, 2021

In the table above, the VIF value for the earning per share variable is 1.384, the return on assets is 2.009, and the debt to equity ratio is 2.423 which is less than 10 and the Tolerance value for the earning per share variable is 0.722, the current ratio is 0.498, and inventory turnover is 0.413 which is more than 0.10

**c. Autocorrelation Test**

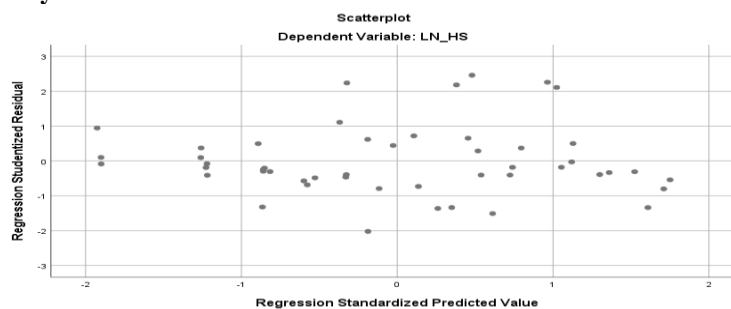
**Table 3**  
Autocorrelation Test Results After Transformed to Ln

Runs Test	
	Unstandardized iResidual
Test iValue <sup>a</sup>	-.21433
Cases i < iTest iValue	24
Cases i >= iTest iValue	25
Total iCases	49
Number iof iRuns	26
Z	.003
Asymp. iSig. i(2-tailed)	.998

a. Median

Based on the table above, it can be seen that the Run-test value is 0.998. Where the results are significant at > 0.05. So it can be concluded that there is no autocorrelation in this study

**d. Heteroscedasticity Test**



**Fig 4.** Test Results Scatter plots After Transformation to Ln

Source: Research Results, 2021



In the picture above, it can be seen that the points spread between the zero axis so that it can be stated that the data passed the graph test.

**Table.4**  
Glejser Test Results After Transformed to Ln

Model	Unstandardized iCoefficients		Standardized iCoefficients		Sig.	Collinearity iStatistics	
	B	Std. iError	Beta	t		Tolerance	VIF
	(Constant)	.576	.413			1.394	.170
LN_EPS	.029	.037	-.128	-.801	.427	.722	1.384
LN_ROA	.000	.134	.000	-.002	.999	.498	2.009
LN_DER	-.339	.207	-.345	-1.636	.109	.413	2.423

Dependent Variable: LN\_ABS

Source: Research Results, 2021

From the table above, it can be seen that the values (Sig.) for all dependent variables have results in accordance with the criteria so that they pass the test..

### 3.3 Result of Data Analysis

#### a. Multiple Linear Regression Equation Analysis

**Table 5.**  
Multiple Linear Regression Test Results

Model	Unstandardized iCoefficients		Standardized iCoefficients		Sig.	Collinearity iStatistics	
	B	Std. iError	Beta	t		Tolerance	VIF
	(Constant)	9.449	.680			13.889	.000
LN_EPS	.016	.060	.032	.261	.796	.722	1.384
LN_ROA	1.039	.221	.699	4.705	.000	.498	2.009
LN_DER	-.041	.341	-.020	-.120	.905	.413	2.423

a. Dependent Variable: LN\_HS

Source: Research Results, 2021

From the table above, the results of the multiple linear regression equation are as follows:

$$\text{Harga Saham} = 9,449 + 0,016 \text{ Earning Per Share} + 1,039 \text{ Return On Assets} - 0,041 \text{ Debt to Equity Ratio}$$

The constant value of 9.449 means that if earnings per share, return on assets and debt to equity ratio are considered constant, then the share price of Mining Sector Companies listed on the Indonesia Stock Exchange for the 2015-2019 period increases by 9.449. The coefficient of earnings per share of 0.016 states that for every one unit increase in earnings per share, the stock price will increase by 0.016. The return on assets coefficient value of 1.039 states that for every one unit increase in return on assets, the return on assets will increase by 1.039. The coefficient value of the debt to equity ratio is -0.041 which means that for every one unit increase in the debt to equity ratio, the stock price will decrease by 0.041. .

#### b. Coefficient of determination (R<sup>2</sup>)

**Table 6.**  
Coefficient of Determination (R Square)

Model	Model Summary <sup>b</sup>					
	R	R iSquare	Adjusted iR iSquare	Std. iError iof ithe iEstimate	Durbin-Watson	
1	.711 <sup>a</sup>	.506	.473	1.06717	2.209	

a. Predictors: (Constant), LN\_DER, LN\_EPS, LN\_ROA

b. Dependent Variable: LN\_HS

Source: Research Results, 2021

Based on the table above, the value obtained from the third column is 0.637, meaning that the variation in the earning per share (X1), return on assets (X2) and debt to equity ratio (X3) variables can explain the variation in stock prices of 47.3% and 52, respectively. 7% explained by others such as total asset turnover, current assets

### 3.4 Simultaneous Hypothesis Testing (Test Statistic F)

**Table 7.**  
Test Statistic-F  
ANOVA<sup>a</sup>

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	52.491	3	17.497	15.364	.000 <sup>b</sup>
Residual	51.248	45	1.139		
Total	103.740	48			

a. Dependent Variable: LN\_HS

b. Predictors: (Constant), LN\_DER, LN\_EPS, LN\_ROA

Source: Research Results, 2021

In the table above, Fcount is 15.364 while at = 0.05, Ftable is 2.79, so it can be concluded that the earning per share, return on assets and debt to equity ratio variables simultaneously have a significant influence on the stock price variable.

### 3.5 Partial Hypothesis Testing (T Statistical Test)

**Table 8.**  
T Statistical test  
Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.	Collinearity Statistics	
	B	Std. Error	Beta	t		Tolerance	VIF
(Constant)	9.449	.680		13.889	.000		
LN_EPS	.016	.060	.032	.261	.796	.722	1.384
LN_ROA	1.039	.221	.699	4.705	.000	.498	2.009
LN_DER	-.041	.341	-.020	-.120	.905	.413	2.423

a. Dependent Variable: LN\_HS

In the table above, the results of the partial test obtained the following results:

- The value of t count  $0.261 < t$  table 2.00665 or the value of Sig t  $(0.796) > (0.05)$ . Thus, earnings per share has no effect on stock prices.
- The value of t count is  $4.705 > t$  table 2.00665 or the value of Sig t  $(0.000) < (0.05)$ . Thus, return on assets has an effect on stock prices.
- The value of t count  $-0.120 < t$  table 2.00665 or the value of Sig t  $(0.905) > (0.05)$ . Thus, the debt to equity ratio has no effect on stock prices

## 4. Conclusion

- Testing of earnings per share (X1) has no significant effect on stock prices (Y) in Mining Sector Companies listed on the Indonesia Stock Exchange for the 2015-2019 period
- The test of return on assets (X2) has no significant effect on earnings per share (Y) in Mining Sector Companies listed on the Indonesia Stock Exchange for the 2015-2019 period
- Testing the debt to equity ratio (X3) has a positive and significant effect on earnings per share (Y) in Mining Sector Companies listed on the Indonesia Stock Exchange for the 2015-2019 period
- Testing earnings per share (X1), return on assets (X2) and debt to equity ratio (X3) have a significant and significant effect on stock prices (Y) in Mining Sector Companies listed on the Indonesia Stock Exchange for the 2015-2019 period

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