Jurnal Mantik, 5 (3) (2021) 1660-1667

Published by:Institute of Computer Science (IOCS)

Jurnal Mantik

Journal homepage: www.iocscience.org/ejournal/index.php/mantik/index

Effect of Current Ratio, Inventory Turn Over and Time Interest Earned on Stock Prices in Cigarettes Sub-Sector Companies Listed on the Stock Exchange For the 2015-2019 Period

Elvina[1], Edi Gunawan[2], Holfian Daulat Tambun Saribu[3]

[123] Management, Faculty of Economics,
[123] Universitas Prima Indonesia, Jl Belanga No.1, Medan, 20118, Indonesia

E-mail: holfiandts@yahoo.co.id

A R T I C L E I N F O

Article history:

Received: August 23, 2021
Revised: Septrmber 19, 2021
Accepted: October 25, 2021

Keywords:

Current Ratio,
Inventory Turn Over,
Time Interest Earned,
Stock Price

A B S T R A C T

This study aims to find out how the influence of Current Ratio, Inventory Turn Over and Time Interest Earned on Stock Prices in cigarette sub-sector companies included in the IDX list during 2015-2019. This research uses quantitative research methods, with data collection techniques using documentation studies. The data analysis model used is multiple linear regression analysis using the SPSS (Statistical Product And Service Solution) application version 23.0. there are a number of 4 companies that meet the criteria for a period of 5 years with the results of 20 research samples. The results of the analysis of research data reveal: partially: (1) Current Ratio has no influence on stock prices with a significance value of 0.117> 0.05. (2) Inventory Turn Over has no effect on the price as indicated by a significance number of 0.71>0.05. (3) Time Interest Earned has an influence on the Stock Price, which is indicated by a significance number of 0.010 <0.05. And simultaneously Current Ratio, Inventory Turn Over, Time Interest Earned affect stock prices with a significance number of 0.016 <0.05

Copyright © 2021 Jurnal Mantik.
All rights reserved.

1. Introduction

The capital market is defined as a forum for various long-term financial instruments that are traded. The financial instrument can be in the form of shares or equity, debt, derivative instruments, or in other forms. The capital market can be a capital facility for companies or other institutions (eg the government) and can also be a facility for investment activities [4]. Investment in shares by investors is one of the sources of company funding, therefore directly share funds are included in the report of the company's management to investors or people who invest shares. When investing, investors or stock investors should have various information or data regarding stock price fluctuations to be able to determine their decisions regarding which company shares are good to buy [2]. The information or data is generally issued from corporate entities in the form of a prospectus containing non-accounting data or accounting data. The indicator in increasing the value of the company is the increase in its share price [9]. The size of the stock price is a temporary assessment caused by various things including external factors and internal factors [1]. The stock price is a reflection of the valuation of a company according to investors, if the stock price of a large company, it will make the value of the company for large investors as well and vice versa [3].

PT. Gudang Garam Tbk, namely current assets in 2018-2019, increased by Rp. 45,284,719 to Rp. 52,081,133 but its share price decreased from 83,625 to 53,000, where the theory should be that if current assets increase, the share price is high. PT Hanjaya Mandala Sampoerna Tbk in 2018 had inventories of 15,183,197, which increased in 2019 to 16,376,231, but its share price decreased from 3,710 in the 2018 period to 2,100 in the 2019 period. PT Bentoel Internasional Investama, namely sales in 2015-2016 increased by 16,814,351 to 19,228,981 but its share price decreased from 510 to 484. According to theory, if sales increase, the stock will increase [11].

Accredited "Rank 4"(Sinta 4), DIKTI, No. 36/E/KPT/2019, December 13th 2019.

Jurnal Mantik is licensed under a Creative Commons Attribution-NonCommercial 4.0 International License (CC BY-NC 4.0).

Based on the description, the effect of the financial ratios tested in this study are: CR (Current Ratio), ITO (Inventory Turn Over), and TIE (Time Interest Earned) on the Cigarette Sub-Sector Stock Price in 2015-2019. The cigarette sub-sector was chosen because the cigarette business is a business that has a major role in Indonesia's economic activity and is one of the largest parts of domestic revenue sourced from this industry, as a contributor to state revenue and excise duty which has an important role in the Indonesian state budget.

2. Method

The research approach used is quantitative research where the quantitative approach aims to identify a relationship or influence between the dependent variable and the independent variable. The quantitative approach can be interpreted as an approach in research based on the philosophy of positiveism, and is used to study a sample or population [15].

The population in this study is a cigarette sub-sector company that is included in the list on the IDX in 2015-2019. The technique used to collect data is to use the document study method. The document study in this study is an activity to collect data that is already available in the form of the annual financial statements of companies included in the IDX list from 2015 to 2019 which were obtained through the Indonesia Stock Exchange website (www.idx.co.id).

The sample is part of the research population [15]. Determination of the sample in this study using a purposive sampling technique, with the determination of the sample carried out according to special requirements or criteria determined by the researcher [8]. In this study, the sample requirements were selected, namely: Cigarette companies that are included in the IDX list, publish their financial statements every year during the 2015-2019 period, from this condition the number of samples used are 4 companies including Wismilak Inti Makmur Tbk (WIIM), Bentoel International Investama Tbk (RMBA), Handjaya Mandala Sampoerna Tbk. (HMSP), and Gudang Garam Tbk. (GGRM).

3. Result and Analysis

3.1 Statistic Descriptive

Descriptive statistics are statistics that describe or describe research data in the form of average data, maximum numbers, standard deviations, minimum numbers, totals, ranges, kurtosis & skewness (distribution deviation) [10]. Descriptive data analysis seeks to provide an overview of existing data into a form of more detailed and easy-to-understand information.

Table 1
Statistic Descriptive

	N	Minimum	Maximum	Mean	Std. Deviation
Current ratio	20	19.00	657.00	3.321.500	18.500.619
Inventory turnover	20	119.00	535.00	2.580.000	12.503.515
Time interest earned	20	77.00	2568.00	8.046.000	65.407.101
Stock price	20	83.63	83800.00	138.699.312	2.632.076.061
Valid N (listwise)	20				

Source: Data processed by researchers, 2021

The table shows that N or the number of each valid variable is 20, from 20 stock price sample data (Y), the minimum number is 83.63, the maximum number is 83800.00, with an average value of 13869.9312, and the standard deviation value is 26320,76061. meaning that the average value of the stock price is less than the standard deviation, it can be determined that the data is heterogeneous, because the spread of data has many variations, so it can be seen that the average value of the stock price variable has a high deviation rate.

Current Ratio (X1) from 20 samples is known that the minimum number is 19.00, the maximum number is 657.00, the mean value is 332.1500 and the standard deviation value is 185.0619, meaning that the average value of the current ratio is higher than the standard deviation value, so the data can be determined. is homogeneous, which means that the average Current Ratio variable has a low level of deviation.

Accredited "Rank 4"(Sinta 4), DIKTI, No. 36/E/KPT/2019, December 13th 2019.

Jurnal Mantik is licensed under a Creative Commons Attribution-NonCommercial 4.0 International License (CC BY-NC 4.0).

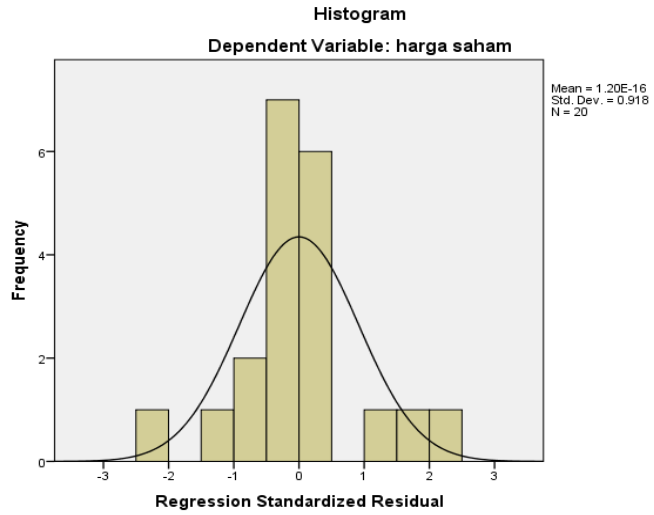
Inventory Turn Over (X2) from 20 samples, it is known that the minimum number is 119,00, the maximum number is 535.00, the average value is 258,0000 and the standard deviation value is 125,03515, meaning that the average value of inventory turn over is greater than the standard deviation value, so it can be seen The data is homogeneous, which means that the average Inventory Turn Over variable has a low level of deviation.

Time Interest Earned (X3) from 20 samples, it is known that the minimum number is 77.00, the maximum number is 2568.00, the average value is 804,6000 and the standard deviation value is 125,03515. This means that the average value of inventory turnover is greater than the standard deviation value so that it can be seen that the data has a homogeneous nature, which means that the average Time Interest Earned variable has a low deviation rate.

3.2 Classic Asumption Test

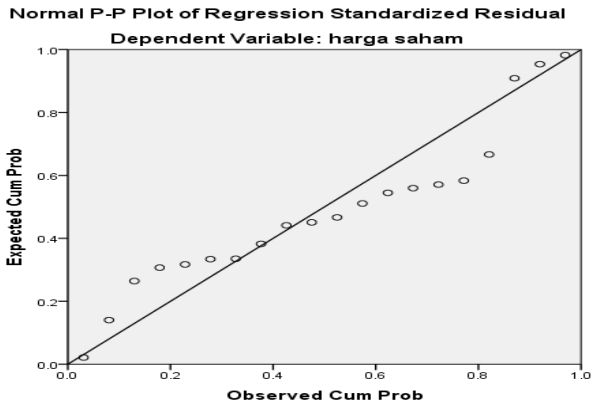
a. Normality test

This test is used in order to measure whether the distribution of the data used is normal or abnormal. The normality test used is the P-plot, Histogram, and KS method (Kolmogorov smirnov).



Source: Data processed by researchers, 2021

Fig 1. Histogram Graph



Source: Data processed by researchers, 2021

Fig 2. Normal p-p plot Graph

Based on the output display, it can be seen that the data is normally distributed with a histogram that forms a bell distribution pattern. and in the P-Plot image it can be seen that the points follow and spread around the diagonal line and in the direction of the diagonal line.

The following table results from the Kolmogorov smirnov method.

Accredited "Rank 4"(Sinta 4), DIKTI, No. 36/E/KPT/2019, December 13th 2019.

Jurnal Mantik is licensed under a Creative Commons Attribution-NonCommercial 4.0 International License (CC BY-NC 4.0).

Table 2
One Sample K-S Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		20
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	65.65466206
Most Extreme Differences	Absolute	.192
	Positive	.163
	Negative	-.192
Test Statistic		.192
Asymp. Sig. (2-tailed)		.053[c]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.

Source: Data processed by researchers, 2021

Based on the data in the table above, it can be seen that the significance number in the Kolmogorov-Smirnov table is 0.053 > 0.05. Based on these numbers, it can be concluded that the data used has a normal distribution.

b. Multicolinearity Test

The method to determine whether or not multicollinearity of the data occurs is by observing the VIF (Variance Inflation Factor) value and the tolerance value. In general the cut off number used indicates the presence or absence of multicollinearity in the data, namely the tolerance value is not more than 0.10, or it can also be seen from the VIF results that exceed 0.10 [7].

Table 3
Multicolinearity Test

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	30.899.139	13.466.219		2.295	.036		
	current ratio (x1)	-43.903	26.492	-.309	-1.657	.117	.961	1.040
	inventory turn over (x2)	-77.399	40.035	-.368	-1.933	.071	.921	1.085
	time interest earned(x3)	21.778	7.514	.541	2.898	.010	.956	1.046

a. Variable independent:: (y) stock prices

Source: Data processed by researchers, 2021

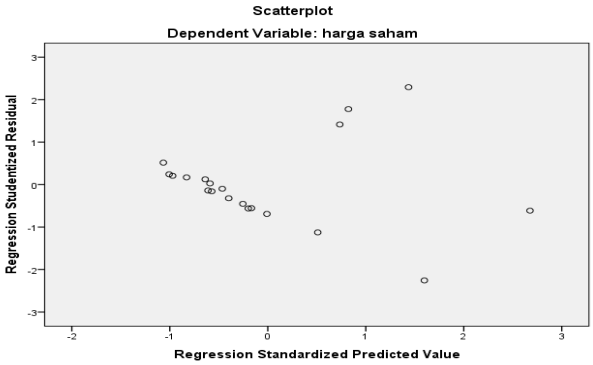
From the multicollinearity test table above, it can be seen that between the independent variables there is no multicollinearity, because the tolerance number for each independent variable does not show results below 0.10 and the VIF value obtained also proves the results of all independent variables are less than 0.10. So it can be concluded that there are no symptoms of multicollinearity among the three variables studied.

c. Heterocedasticity Test

This test has the aim of knowing whether in the regression model there is heterogeneity of variance in the residuals from one observation to another. This heteroscedasticity test is carried out using a scatterplot graph, if the points are scattered at the top and bottom of the 0 scale on the Y line, and there is no certain pattern, therefore it can be seen that the data does not experience heteroscedasticity symptoms.

Accredited "Rank 4"(Sinta 4), DIKTI, No. 36/E/KPT/2019, December 13th 2019.

Jurnal Mantik is licensed under a Creative Commons Attribution-NonCommercial 4.0 International License (CC BY-NC 4.0).



Source: Data processed by researchers, 2021

Fig 3. Scatterplot Graph

From the scatterplot output, several things can be concluded, namely:

1. The points of the data spread are at the top and bottom and are around the 0 scale
2. The spread of data points does not form a certain pattern.

Thus, it can be concluded that there is no symptom of heteroscedasticity in the data studied

d. Autocorrelation Test

This test aims to determine whether in the regression model there is a correlation between the nuisance error in period t and period t-1 (previous). In order to test the presence or absence of autocorrelation in the data, an analysis was carried out using the Durbin-Waston test [7] reveals that if the DW number obtained ranges from or is almost close to number 2, it means that the regression model is independent rather than autocorrelational symptoms.

Table 5
Autocorrelation Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.683[a]	.467	.367	20.945.313	1.431

a. Prediktor: (konstan), TIE, CR, ITO

a. Variable terikat : Harga Saham

Source: Data processed by researchers, 2021

In the table above, it can be seen that if the acquisition number from Durbin Watson is 1.431 then the number is around or close to number 2 so that it can be determined that the data under study does not experience autocorrelation.

e. Hyphotesis Test

f. Multiple Linear Regression Test

Multiple linear regression analysis was carried out to calculate how much influence the independent variable had on the dependent variable [7]. Based on data processing using the SPSS program produces data output as below:

Table 6
Multiple Linear Regression Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	30.899.139	13.466.219		2.295	.036
	Curret Ratio (X1)	-43.903	26.492	-.309	-1.657	.117
	Inventory Turn Over (X2)	-77.399	40.035	-.368	-1.933	.071
	Time Interest Earned (X3)	21.778	7.514	.541	2.898	.010

a. Variable terikat : (Y) Harga Saham

Source: Data processed by researchers, 2021

Accredited "Rank 4"(Sinta 4), DIKTI, No. 36/E/KPT/2019, December 13th 2019.

Jurnal Mantik is licensed under a Creative Commons Attribution-NonCommercial 4.0 International License (CC BY-NC 4.0).

From the table of multiple linear regression test results above, several values are obtained including:

(constant) = 30899.139
Current Ratio = -43.903
Inventory Turn over = -77.399
Time Interest Earned = 21,778

The value obtained is then entered in the multiple linear regression formula, then the following formula is obtained:

$$Y = 30899{,}139 – 43{,}903X1 - 77.399X2 + 21{,}778X3 + 13466{,}219$$

1. The constant value is 30899,139 with a positive sign, this value indicates if the Inventory Turn Over, Time Interest Earned, and Current Ratio variables are zero (0), this will affect the value of the Share Price which becomes 30899,139.
2. The X1 value is -43.903 with a negative sign, this value indicates if there is a 1% change that occurs in the Time Interest Earned, Inventory Turn Over, Current Ratio variables are assumed to be constant or constant
3. The X2 value is -77.399 with a negative sign, this value explains if there is a 1% change that occurs in the Time Interest Earned, Inventory Turn Over, Current Ratio variables are assumed to be constant or constant
4. The X3 value is 21,778 with a positive sign, this value indicates if there is a 1% change that occurs in the Time Interest Earned variable, Inventory Turn Over, Current Ratio is assumed to be constant or constant.

g. Coefficient of Determination

The coefficient of determination (R2) aims to calculate the extent to which the ability of capital to explain the dependent variable. If the result of R2 is low, it shows that the ability of the independent variable to explain the change in the dependent variable is very small. If the scale of R2 is getting bigger (closer to number 1, it indicates that the independent variable is able to provide most of the explanations needed to make predictions from the dependent variable [7]. Multiple linear regression analysis in this study will find out, the effect of each independent variables simultaneously (simultaneously) and partially (separately) to the dependent variable which is symbolized by R 2. In measuring the influence of the variable Time Interest Earned, Inventory Turn Over, Current Ratio on Stock Prices. The results of R2 (coefficient of determination) are presented in table 7 below

Table 7
Coefficient of Determination Test

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.683[a]	.467	.367	2.094.531.337

a. Prediktor: (konstan), Time Interes Earned (X3), Curret Ratio (X1), Inventory Turn Over (X2)

Source: Data processed by researchers, 2021

From the data in Table 7 above, the coefficient of determination test performed reveals the resulting R2 scale is 0.683. based on this, it can be seen that the influence of the independent variable on the dependent variable is 68.3%, then the difference of 31.7% is influenced by other variables outside this study.

h. T Test

This t-test has the aim of measuring the extent to which the influence of an independent variable independently explains the changes that occur in the dependent variable. The T-test is carried out by comparing the T-Calculate with the T-Table based on several criteria, namely:

1. If t-count < t-table, it indicates H0 is accepted, which means partially the independent variable has no effect on the dependent variable,
2. If t-count > t-table, it indicates H0 is rejected, which means that partially the independent variable has an influence on the dependent variable. With the determination of the significant level of alpha is = 0.05 (5%).

Accredited "Rank 4"(Sinta 4), DIKTI, No. 36/E/KPT/2019, December 13th 2019.

Jurnal Mantik is licensed under a Creative Commons Attribution-NonCommercial 4.0 International License (CC BY-NC 4.0).

Table 8
T Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	30.899.139	13.466.219		2.295	.036
	Curret Ratio (X1)	-43.903	26.492	-.309	-1.657	.117
	Inventory Turn Over (X2)	-77.399	40.035	-.368	-1.933	.071
	Time Interest Earned (X3)	21.778	7.514	.541	2.898	.010

a. variable terikat : (Y) Harga Saham

Source: Data processed by researchers, 2021

From table 8 it shows the results of the research for the T-Test, namely:

1. Current Ratio (X1) with tcount -1.657 < ttable 2.120 has a significance value of 0.117 > 0.05, thus it can be concluded that Current Ratio has no effect on stock prices.
2. Inventory Turn Over (X2) with a value of tcount -1.933 < ttable 2.120 has a significance value of 0.071 > 0.05, thus it can be concluded that Inventory Turn Over has no effect on stock prices.
3. Time Interest Earned (X3) with a value of tcount 2.898 > ttable 2.120 has a significance value of 0.010 <0.05, thus it can be concluded that Time Interest Earned has an influence on stock prices.

i. F Test

F-test. Generally, it has the aim of providing an overview of whether all of the independent variables in the study simultaneously (simultaneously) have an influence on the dependent variable.

Table 9
F Test

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regresi	6.143.567.906.381	3	2.047.855.968.794	4.668	.016[b]
	Residual	7.019.298.434.165	16	438.706.152.135		
	Total	13.162.866.340.546	19			

a. variable terikat : Harga Saham

a. Prediktor: (konstan), Time interes Eraned, Current Ratio, Inventory Turn Over

Source: Data processed by researchers, 2021

From table 9 above, the significance number is below 0.05 (0.016 <0.05), so it can be concluded that each of the independent variables, namely Current Ratio, Inventory Turn Over and Time Interest Earned simultaneously (simultaneously) has an influence on the dependent variable, namely Price Share.

4. Conclusion

From the results of the analysis and discussion of the data, the researchers obtained several conclusions including:

1. The Current Ratio is not significant and has a negative sign on the stock price of the cigarette sub-sector companies listed on the IDX for the 2015-2019 period. The conclusion is shown by the results of tcount -1,657 < ttable 2.120, where the tcount is smaller than the value of ttable.
2. Inventory Turn Over is not significant and has a negative sign on share prices in cigarette sub-sector companies listed on the Indonesia Stock Exchange for the 2015-2019 period. The conclusion is shown based on the results of tcount -1.933 < ttable 2.120, where the number tcount is smaller than the value of ttable.
3. Time Interest Earned is significant and has a positive sign on share prices in cigarette sub-sector companies listed on the IDX for the 2015-2019 period. The conclusion is shown through the results of tcount 2.898 > ttable 2.120, which means that the tcount is greater than the ttable number.
4. Current Ratio, Inventory Turn Over, Time Interest Earned have a simultaneous effect on stock prices in cigarette sub-sector companies listed on the Indonesia Stock Exchange for the 2015-2019 period. The

Accredited "Rank 4"(Sinta 4), DIKTI, No. 36/E/KPT/2019, December 13th 2019.

Jurnal Mantik is licensed under a Creative Commons Attribution-NonCommercial 4.0 International License (CC BY-NC 4.0).

results are shown based on the acquisition of a significance number of 0.016, which is smaller than the predetermined significance number of 0.05.

From the results of this study there are several suggestions obtained which include:

1. For prospective investors who will invest in the stock market, before buying shares, investors must pay attention to and analyze the performance and financial statements of companies whose information is already available on the IDX.
2. Future researchers are also expected to carry out further, deeper studies on aspects that can affect stock prices, such as the state's economic condition, fluctuations in currency exchange rates and inflation.

5. References

[1] Agnes Sawir. Analisis Kinerja Keuangan Dan Perencanaan Keuangan Perusahaan. Jakarta: PT Gramedia pustaka utama. 2003

[2] Arthur Keown J. David Scott F, Jhon Martin D, William Petty J. Prinsip dan penerapan Manajemen Keuangan. Edisi kesepuluh jilid 2 Jakarta: Index. 2010

[3] Brigham dan Houston. Dasar-Dasar Manajemen Keuangan, Buku 1, Salemba Empat, Jakarta. 2012

[4] Darmadji, Tjiptono, dan Fakhruddin. Pasar Modal Di Indonesia. Edisi Ketiga. Jakarta, Salemba Empat. 2012

[5] David Wijaya. 2017. "Manajemen Keuangan Konsep dan Penerapannya". Jakarta: PT. Grasindo. 2017

[6] Eugene F. Brigham, Dan Joel F Huston. Dasar Dasar Manajemen Keuangan Buku 1 Edisi 14, Salemba Empat, Jakarta. 2018

[7] Ghozali, I.. Aplikasi Analisis Multivariate dengan Program IBM SPSS. Yogyakarta: Universitas Diponegoro. (Edisi 9) Semarang Badan Penerbit Univ diponegoro. 2018.

[8] John J, Wild. Analisa Laporan Keuangan, Buku Dua, diterjemahkan Oleh Yanivi S. Yogyakarta: Salemba Empat. 2005

[9] Octaviani S, Komalasari D. "Pengaruh Likuiditas, Profitabilitas, dan Solvabilitas Terhadap Harga Saham (Studi Kasus pasa Perusahaan Perbankan yang Terdaftar di Bursa Efek Indonesia)". J Akuntansi

[10] Prayitno, D. Paham Analisa Data Statistik dengan SPSS. Yogyakarta: Mediakom. 2010

[11] Rivaldy Daniel Lontoh., Marjamcmangantar., Dan Yunita Mandagie." Analisis Perbandingan Kinerja Keuangan PT. HM Samperna Tbk, Dan Pt. Gudang Garam Tbk. Periode 2011-2014", Jurnal EMBA, Vol. 5 No. 2 Juni 2017. Hal. 393-403. 2017

[12] Samsul, Muhamad. Pasar Modal Dan Manajemen Portofolio. Penerbit Erlangga. Surabaya. 2006

[13] Sartono, Agus. Manajemen Keuangan Teori dan Aplikasi. Edisi 4. Yogyakarta : BPFE. 2010

[14] Sugiyono. Metode Penelitian Bisnis. Penerbit CV. Alfabeta: Bandung. 2013

[15] Setiyawan I, Pardiman P. "Pengaruh Current Ratio, Inventory Turnover, Time Interest Earned Dan Return on Equity Terhadap Harga Saham Pada Perusahaan Manufaktur Sektor Barang Konsumsi Yang Terdaftar Di Bei Periode 2009-2012". Nominal,Barom Ris Akunt dan Manaj. 2014, Vol. 3,No.1

Jurnal Mantik is licensed under a Creative Commons Attribution-NonCommercial 4.0 International License (CC BY-NC 4.0).