Performance Improvement in Combating Poverty

Bernadikta Darmawati Ameebu*[1], Grahita Chandrarin[2], Retna Safriliana[3]
[1]Doctorate Student of Post Graduate Program, Faculty of Economic of Merdeka University
[2, 3]Teacher of Post Graduate Program, Faculty of Economic of Merdeka University Malang
* Corresponding Author: ameebubernadikta@gmail.com

ABSTRACT

This research was conducted on property and real estate companies in Indonesia. The data was obtained by accessing the website of the Indonesia Stock Exchange (IDX). The sample in this study was selected using the Purposive Sampling method so that there are 40 property and real estate companies in Indonesia and property, real estate companies registered in Indonesia, stock prices and real estate companies in Indonesia did not do delisting during the pandemic which could used in this study. In this study using panel data. The analytical technique used in this research is multiple regression analysis. The results of this study partially show that Price to Book Value (PBV), Debt to Asset Ratio, and Return on Investment have a significant positive effect on stock returns. Price to Book Value (PBV), Debt to Asset Ratio and Return on Investment have a significant positive effect on stock returns.

Keywords : Price to Book Value (PBV), Debt to Asset Ratio (DAR), Return on Investment (ROI).

1. INTRODUCTION

The decline in the share prices of companies in the property and real estate sector is feared to affect the disinterest of investors to invest in these companies. Because companies whose share prices are declared to have fallen are companies that are assumed to be companies that do not have good performance or are considered as companies that are unable to promise more profits to investors. As said by Nuraisyah (2016), that company value can be reflected in the share price of a company. Shares of an issuer will be in demand by potential investors if the company is performing well. Issuers are obliged to publish financial reports for a certain period.

Price to Book Value (PBV) is one of the financial ratios used to compare the company's current market value with its book value. Debt to Asset Ratio (DAR) isone of the ratios used to measure the ratio between total debt and total assets (Nuraisyah, 2016).

Return on Investment (ROI) is a ratio that shows the results on the number of assets used in the company. Return on Investment is also a measure of the effectiveness of management in managing its investment (Kasmir, 2014). Problem Formulation are (1) Does Price to Book Value (PBV) have a significant effect on stockprices?, (2) Does Debt to Asset Ratio (DAR) have a significant effect on stockprices?, (3) Does Return on Investment (ROI) have a significant effect on stockprice?. The objectives of this research are as follows: (1) To analyze the effect of Price to Book Value (PBV) on stock prices, (2) To analyze the effect of Debt to Asset Ratio (DAR) on stock prices, and (3) To analyze the effect of Return on Investment (ROI) on stock prices.

The benefits of this research are as follows: (1) *Theoretical Benefits.* The results of this study are expected to be useful for the development of science and add references to science in the field of accounting so that it can be used as a reference and comparison in future studies, (2) *Practical Benefits.* For the Company, namely to assist management in improving internal control over the revenue cycle, as well as providing input or recommendations to management on internal controls that have been implemented. In addition, it can provide information to investors for making investment decisions to companies that have certain financial conditions, and (3) *Policy Benefits.* The results of this study are expected to provide financial information, especially regarding the development of financial ratios that affect stock prices, so that companies can anticipate better accounting policies in the coming period.

2. LITERATURE STUDY

According to Hartono (2010: 130) the stock price is the price that occurs on the stock exchange market at a certain time determined by market participants. Determination of stock prices can be done through technical analysis and fundamental analysis. Price to Book Value (PBV) measures the value that the financial market gives to the company's management and organization as a company that continues to grow (Irfan & Kharisma, 2020). Price to book value is one of the indicators used by investors to see the financial condition / position of a company. Debt to Asset Ratio (DAR) is often called the debt ratio, is a variable that defines how much proportion of assets whose funding sources come from loans or credit. According to Kasmir (2014), the debt to asset ratio is a debt ratio used to measure the ratio between total debt and total assets. In other words, how much the company's assets are financed by corporate debtaffects asset management.

Return on Investment (ROI) is a ratio that shows the return on the number of assets used in the company (Kasmir, 2014). Return on Investment is a measure of the effectiveness of management in managing itsinvestment. The higher the Return on Investment ratio, the better the condition of a company and vice versa.

3. RESEARCH METHODS

The Research Framework as follows:

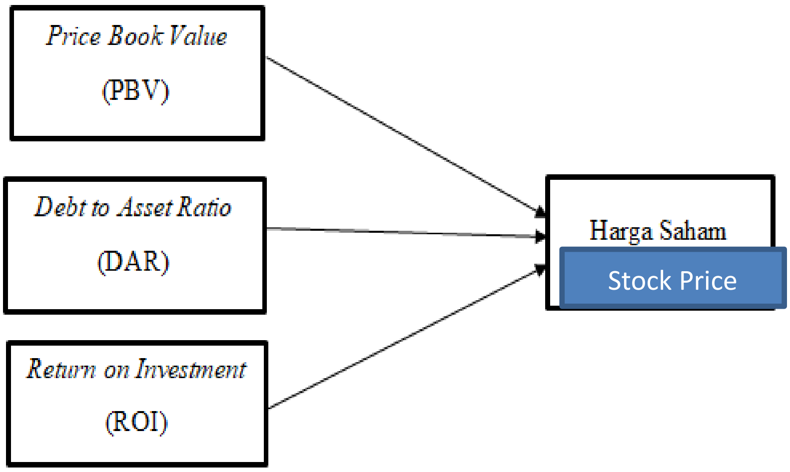

Figure 1. Research Framework

The design in this study uses a causality research design. Causality design is a research design used with the aim of examining the influence, relationship, or impact of independent variables on dependen variable. The population in this study were all property and real estate companies listed on the Indonesia Stock Exchange (IDX) in 2019- 2021. The sampling technique used in this study was purposive sampling technique, namely information collected from severalsamples selected based on several criteria determined by the researcher. The criteria for determining the sample in this study areas follows:

1. Property and real estate companies listed on the Indonesia Stock Exchange (IDX) in 2019-2021.
2. Property and real estate companies listed on the Indonesia Stock Exchange (IDX) that publish annual reports consecutively in2019-2021.
3. Property and real estate companies listed on the Indonesia Stock Exchange (IDX) that experienced consecutive profits in 2019- 2021.
4. Property and real estate companies listed on the Indonesia Stock Exchange (IDX) that present annual reports in rupiah.

5. Regression analysis is an analysis used to measure the effect of the independent variable on the dependent variable. If the measurement of influence involves two or more independent variables (X1, X2, X3, and so on)and one dependent variable (Y), it is called multiple / multiple regression analysis. The regression equation in this study is to determine how much influence the variables Price to Book Value, Debt to Asset Ratio, and Return on Investment have on stock prices. The mathematical formula for multiple regression used in this study is:

$$Y = \alpha + \beta 1X1 + \beta 2X2 + \beta 2X3 + e$$

Where:

Y = Stock Price

X1 = *Price to Book Value* (PBV)X2 = *Debt to Asset Ratio* (DAR)
X3 = *Return on Invesment* (ROI)

4. RESULT AND DISCUSSION

4.1. Descriptive Statistical Analysis

Descriptive statistical analysis is a statistic that serves to describe or describe the object under study through a sample or population as it is, without conducting an analysis that makes conclusions that apply to the public. The independent variables in this study are Price to Book Value (X1), Debt to Asset Ratio (X2), and Return on Investment (X3), the dependent variable in this study is Stock Price (Y). Based on the results of descriptive statistical analysis, data related to number, average (mean), maximum, minimum, and standard deviation are obtained.

Variabel	Mean	Deviasi Standar	Maksimum	Minimun
Price Book to Value (X1)	0,49495	0,40452	1,486	0,003
Debt to Asset Ratio (X2)	0,40452	0,163673	0,635	0,079
Return on Investement (X3)	0,03890	0,030140	0,124	0,004
Harga Saham (Y)	1375,29	1921,891	6700	75

Figure 2. Descriptive Statistical Analysis

4.2. Normality Test

The normality test aims to test whether the regression between the dependent variable (Stock Price) and the independent variable (Price to Book Value, Debt to Asset Ratio, Return on Investment) has a normal distribution or not. The results of the Normality Assumption Test with Kolmogorof- Smirnoy obtained a test significance value greater than 0.05. In the normality test, a significance value of 0.694 was obtained. This shows thatthe data used in this regression model is normally distributed. Data distribution plot of the dependent variable and independent variables.

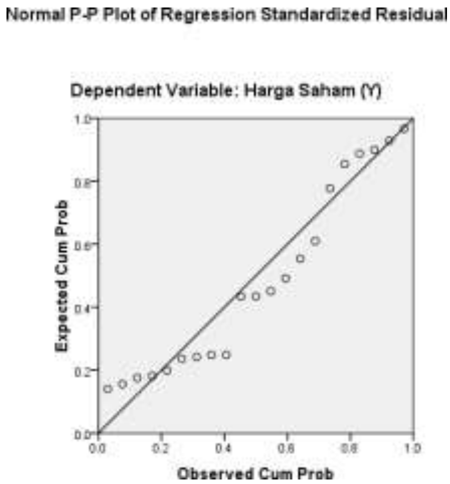

Figure 3. Normality Test

4.3. Heteroscedasticity Test

The heteroscedasticity test aims to test the regression model for inequality of variance from the residuals of one observation to another. A good regression model is one with homoscedasticity or no heteroscedasticity. The statistical test used in this study can be seen from the scatterplot image pattern.

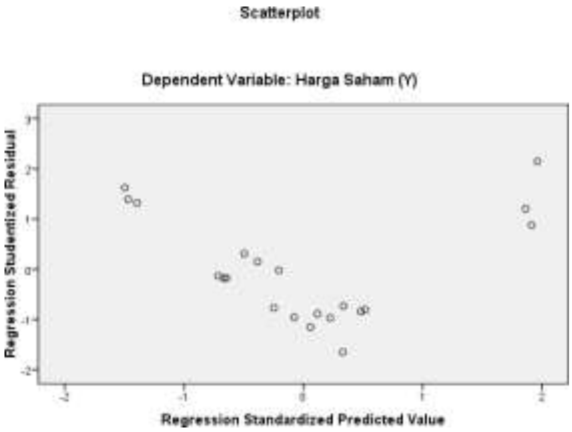

Figure 4. Heteroscedasticity Test

The effect of Price to Book Value (X1), Debt to Asset Ratio (X2), and Return on Investment (X3) on Stock Price (Y) simultaneously. Through the results of hypothesis testing, it states that Price to Book Value (X1), Debt to Asset Ratio (X2), and Return on Investment (X3) have a simultaneous (joint) effect on Stock Price (Y), so the hypothesis in this study is accepted. The results of this study indicatethat there is an effect of Price to Book Value (X1), Debt to Asset Ratio (X2), and Return on Investment (X3) simultaneously on Stock Prices. Sothat the higher the Price to Book Value, Debt to Asset Ratio, and Return on Investment, the higher the Stock Price will be.

The effect of Price to Book Value (X1), Debt to Asset Ratio (X2), and Return on Investment (X3) on Stock Price (Y) partially. Through the results of hypothesis testing, it states that Price to Book Value (X1) and Return on Investment (X3) partially affect Stock Price (Y), but Debt to Asset Ratio (X2) has no effect on stock prices.

Price to Book Value (X1) has an effect on Stock Price (Y). Based on this research, it can be concluded that Price to Book Value is a variable that describes how much the market values the book value of a stock. The greater this ratio illustrates market confidence in the company's financial prospects and stock prices tend to have a positive effect. This is in line with research conducted by Irfan and Charisma (2020), namely Price to Book Value has a positive and significant effect on stock prices in manufacturing companies.

Debt to Asset Ratio (X2) has no effect on Stock Price (Y). If the company's Debt to Asset Ratio (DAR) value is high, this means that Asset funding is financed by high liabilities (debt), thus causing the company to have a high risk, this does not always affect the Stock Price to be low. Likewise, on the contrary, if the Debt to Asset Ratio (DAR) is low, it shows that the financing of assets by liabilities (debt) is small so that it can be said that the company has a small risk that does not really affect the stock priceto be high. This is because there are still many other variables that affect the high and low stock prices. This is in line with research conducted by Nuraisyah (2016), namely Debt to Asset Ratio AR has no significant effect on the share price of food and beverage companies on the IDX.

Return on Investment (X3) has an effect on Stock Price (Y). So itis concluded that Return on Investment has a positive and significanteffect on stock prices. Based on the results of this study, it can be concluded that Return on Investment is one of the important factors considered by companies in making decisions to see whether the share price is increasing or not because Return on Investment is the return on investment so that if Return on Investment increases, the share price will also increase. This is in line with research conducted by Witjaksono & Hasanah (2016), the results of this study are a significant effect on stock prices in pulp and paper companies listed on the Indonesia Stock Exchange (IDX).

4.4. Research Implications

The effect of Price to Book Value (X1), Debt to Asset Ratio (X2), and Return on Investment (X3) on Stock Price (Y) Through the results of hypothesis testing, it states that Price to Book Value (X1), Debt to Asset Ratio (X2), and Return on Investment (X3) have a simultaneous (joint) effect on Stock Price (Y). This means that the higher the value of Price to Book Value, Debt to Asset Ratio, and Return on Investment, the higher the stock price. Of the three independent variables, the one that has the greatest effect on the dependent variable is the effect of Price to Book Value. The higher the price to book value, the higher the stock return. The higher the stock return will increase thecompany's income, thereby increasing the company's ability to pay dividends.

From the other hand, a company that is able to provide welfare to investors is a company that is successful in generating high profits. Because the higher the level of the company in managing capital, managing sales proceeds and profits per share, it can be used as a trust value for investors and also the management in the company has succeeded in attracting investors to join or buy shares. So that later it can be used as a measure of how much the level of prosperity of shareholders. Because the higher the level of prosperity of shareholders, it will attract investors to buy these shares, the increased demand for shares will resultin the share price will also go up.

Through the results of hypothesis testing, it states that the Price to Book Value variable (X1) has a partial effect on Stock Price (Y). This indicates that the greater the Price to Book Value ratio, the Stock Price willalso increase. Price to book value (PBV) shows how far the company isable to create company value. Companies that are doing well generally have a price to book value above 1, which shows that the market value is higher than the book value. The higher the price to book value, the higher the stock return. The higher the stock return will increase the company's income, thereby increasing the company's ability to distribute dividends.

The Return on Investment (X3) variable also partially affects the Stock Price (Y). If the company's Debt to Asset Ratio (DAR) value is high,this means that Asset funding is financed by a lot of liabilities so that the company has a high risk, this does not always affect the Stock Price to be low. Likewise, on the contrary, if the Debt to Asset Ratio (DAR) is low, it shows that the financing of assets by liabilities is small so that it can besaid that the company has a small risk that does not really affect the stock price to be high. This is because there are many other variables that affect the high and low stock prices.

However, the Debt to Asset Ratio Varibael (X2) has no partialeffect on Stock Price (Y). An increase in Return on Investment will usuallybe followed by an increase in the company's stock price. The higher the Return on Investment means the better the company's performance in managing its capital to generate profits for shareholders. To calculate Return on Investment, first look at net profit after tax which is then dividedby total assets so that it only produces Return on Investment. So it can be concluded that H1 and H3 are accepted, while H2 is rejected.

5. CONCLUSION

Based on the research results from the multiple linear regression equation regarding the effect of the Independent variables, namely Price toBook Value (X1), Debt to Asset Ratio (X2), and Return on Investment (X3) on the dependent variable Stock Price (Y), it is concluded that: Price to Book Value (X1), Debt to Asset Ratio (X2), and Return on Investment (X3) simultaneously (together) affect the Share Price (Y). Price to Book Value (X1) and Return on Investment (X3) partially affect Stock Price (Y), but Debt to Asset Ratio (X2) has no effect on stock prices.

Based on the research results, it was found that Price to Book Value has an effect on stock prices. Price to Book Value is a variable that describes how much the market values the book value of a stock. The greater this ratio illustrates market confidence in the company's financial prospects and stock prices tend to have a positive effect.

Based on the research results, it was found that the Debt to Asset Ratio has no effect on stock prices. If the company's Debt to Asset Ratio (DAR) value is high, this means that asset funding is financed by high liabilities (debt), thus causing the company to have a high risk, this does not always affect the Stock Price to be low. Likewise, on the contrary, if the Debt to Asset Ratio (DAR) is low, it shows that the financing of assets by liabilities (debt) is small so that it can be said that the company has a small risk that does not really affect the stock price to be high. This is because there are still many other variables that affect the high and low stock prices.

Based on the research results, it was found that Return on Investment has an effect on stock prices. Return on Investment is one of the important factors considered by companies in making decisions to see whether the stock price is increasing or not because Return on Investment is the return on investment so that if Return on Investment increases, the stock price will also increase.

6. SUGGESTIONS

Based on the results of the study, the researcher suggests:

1. *Investors.* Investors can use Price to Book Value (PBV) and Return on Investment (ROI) as a reference in making investments. But investors should also analyze other indicators because there are still many other indicators that can affect stock prices such as Net Profit Margin (NPM), Return on Equity (ROE), Curent Ratio (CR), Earning per Share (EPS), and so on. Through this research, it is advisable for investors to be able to make decisions in investing by paying attention to factors that have a significant effect or not on Stock Prices.

2. Company Management. In determining the amount of dividends to be paid to investors, company management must also pay attention to the funds needed by the company to maintain company growth in the future.

3. *Further Researchers.* Further researchers are expected to conduct research with a larger population of companies listed on the Indonesia Stock Exchange. Further researchers can increase the observation year period. Further researchers are expected to examine the factors that influence stock prices by adding independent variables outside of the variables of this study.

REFERENCES

Adriani, Irma. (2011). Pengaruh Investment Opportunity dan Mekanisme Corporate Governance Terhadap Kualitas Laba dan Nilai Perusahaan. *Skripsi. Semarang: Fakultas Ekonomi Universitas Diponegoro*.

Aksama, Gabriella Yulianto., dan Tjun, Lauw Tjun. (2014). Pengaruh Earnings per Share (EPS), Return On Investment (ROI), Price to Book Value (PBV) dan Price Earnings Ratio (PER) Terhadap Harga Saham: Studi Empiris Perusahaan Sektor Makanan dan Minuman yang Terdaftar di Bursa Efek Indonesia Periode 2010-2012. *Jurnal Akuntansi*, Vol. 6, No. 2, hlm. 137 – 154.

Amin, Andi Nuraisyah. (2016). Pengaruh Debt to Assets Ratio (DAR) Terhadap Harga Saham Pada Perusahaan Food and Beverage yang Terdaftar di Bursa Efek Indonesia. *Skripsi Universitas Negeri Makassar.*

Ariyanti, Sari. (2016). Pengaruh Profitabilitas dan Leverage Terhadap Harga Saham (Studi pada Perusahaan Konstruksi dan Bangunan yang Terdaftar di Bursa Efek Indonesia Periode 2011-2014). *Jurnal Administrasi Bisnis*, Vol. 35, No. 2, hlm. 181 – 188.

Chandrarin, Grahita. (2017). *Metode Riset Akutansi Pendekatan Kuantitatif*. Penerbit Salemba Empat.

Dian Maulita, dan Muhammad Arifin. (2018). Pengaruh Return On Investment (ROI) DanEarning Per Share (EPS) Terhadap Return Saham Syariah. *Jurnal Manajemen*, Vol. 8, No. 1, Hlm. 10 – 19.

Jogiyanto. (2008). *Teori Portofolio dan Analisis Investasi*. Edisi Kelima, BPFE. Yogyakarta

Ghozali, Imam. (2018). *Aplikasi Analisis Multivariate dengan Program IBM SPSS 25*. Badan Penerbit Universitas Diponegoro: Semarang.

Irfan, M., & Kharisma, F. (2020). Pengaruh Price to Book Value terhadap Harga Saham pada Perusahaan Manufaktur yang Terdaftar di BEI. *Borneo Student Research*, *1*(2), 1104– 1110.

Kasmir. (2014). *Analisis Laporan Keuangan*, cetakan ke-7. Jakarta: PT. Raja Grafindo Persada

Kompas. (2020a). *Sepanjang 2020, Sektor Properti Menyumbang Pelemahan Terbesar ke IHSG*. Kompas.
https://money.kompas.com/read/2020/12/30/204500626/sepanjang-2020- sektor-properti-menyumbang-pelemahan-terbesar-ke-ihsg

Kompas. (2020b). *Update Virus Corona di Dunia*. Kompas. https://www.kompas.com/Tren/Read/2020/03/15/084237665/Update-Virus- Corona-Di-Dunia-Tembus-141-Negara-73955-Sembuh-5829-Meninggal.

Kusumawardhani, Aninditha Putri. 2021. Pengaruh Earning Per Share Dan Price Earning Ratio Terhadap Price Book Value Pada Perusahaan Sektor Pertambangan Yang Terdaftar Di Indeks Idx30 Tahun 2015-2020. *Jurnal Ekonomi Dan Bisnis*, Vol. 8 No. 2, Hlm. 131 – 137.

Maulita, Dian., dan Tania, Inta. (2018). Pengaruh Debt To Equity Ratio (Der), Debt To Asset Ratio (Dar), Dan Long Term Debt To Equity Ratio (Lder) Terhadap Profitabilitas (Studi Pada Perusahaan Manufaktur Sub Sektor Makanan Dan Minuman Yang Terdaftar Di BEI Periode 2011-2016). *Jurnal Akuntansi*, Vol 5 No. 2, Hal. 132 – 137.

Mutiarani, Niki Nony., Dewi, Riana R., Dan Suhendro. 2019. Pengaruh Price Earning Ratio, Price To Book Value, Dan Inflasi Terhadap Harga Saham Yang Terindeks IDX 30. *Edunomika*, Vol. 03, No. 02, Hlm. 433 – 443.

Napitupulu, Yuni Khairani. (2019). Pengaruh Current Ratio, Debt to Equity Ratio, Debt to Asset Ratio Terhadap Harga Saham pada Perusahaan Sub Sektor Farmasi yang Terdaftar di Bursa Efek Indonesia 2013-2017. *Jurnal Ekonomi dan Keuangan*, Vol. 05, No. 2, Hlm.38 – 52.

Nst, Umar Hamdan., Syamsurizal, dan Zahri, Cut. (2021). Pengaruh Debt to Asset Ratio, Inventory dan Earning Per Share terhadap Harga Saham pada Industri Subsektor Farmasi yang Terdaftar di BEI. *Jurnal Ilmiah Universitas Batanghari Jambi*, Vol. 21, No. 1, hlm. 249-252.

Nuraisyah, A. A. (2016). Pengaruh Debt to Asset Ratio (DAR) Terhadap Harga Saham pada Perusahaan *Food and Beverage* yang Terdaftar di Bursa Efek Indonesia. *Universitas Negeri Makassar*, *1392140004*.

Rahmani, Hani Fitria. 2019. Pengaruh Return On Asset (ROA), Price Earing Ratio (PER), Earning Per Share (EPS), Debt To Equiy Ratio (DER) Dan Price To Book Value (PBV) Terhadap Harga

Saham Pada PT. Bank Negara Indonesia (Persero) Tbk, Periode 2005- 2016. *Jurnal Penelitian Ekonomi Dan Akuntansi*, Vol. Iv No. 1, Hlm. 963 – 978.

Sugiyono. (2018). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Penerbit. Alfabeta, Bandung.

Syifa, Retno Wulansari. (2021). Pengaruh Debt To Asset Ratio Dan Current Ratio Terhadap Return On Asset Pada PT Indocement Tunggal Prakarsa Tbk Periode 2010-2019. *Jurnal Ilmiah Mahasiswa (Jimawa)*, Vol. 1, No.1, Hal. 51-58.

Tirto. (2020). *Daftar Kebijakan Jokowi Tangani Virus Corona*. Tirto.Id. https://tirto.id/Daftar-Kebijakan-Jokowi-Tangani-Pandemi-Corona-Dan-Isi- Perppu-Baru-Ejyx

Tribunews. (2022). *Pengertian Lengkap Virus Corona*. Tribunews. https://bangka.tribunnews.com/2020/04/05/Who-Pengertian-Lengkap-Virus-Corona-Penyebab-Cara-Penularan-Pencegahan-Hingga-Cara-Mengobatinya

Wangarry, Andreas R., Poputra, Agus T., dan Runtu, Treesje. (2015). Pengaruh Tingkat Return on Investment (ROI), Net Profit Margin (NPM), dan Debt to Equity Ratio (DER) Terhadap Harga Saham Perbankan di Bursa Efek Indonesia (BEI). *Jurnal EMBA*, Vol. 3, No. 4, pg. 470 – 477.

Witjaksono, D., & Hasanah, D. (2016). Pengaruh Return on Investment terhadap Harga Saham. *Journal of Management Studies*, Vol. 3, No. 3, hlm. 129–136.