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The Role of Dividend Policy as Intervening Variables on The Effect of Earning Per Share, Debt Equity Ratio and Price Book Value on Stock Price

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Abstract:

The purpose of this study is to analyze the role of dividend policy in mediating the effect of earnings per share, debt equity to ratio and price book value on stock prices. The sample used is a manufacturing company listed on the Indonesian stock exchange with complete financial statements for the 2015-2020 period. Data were analyzed using path analysis method . The results of this study indicate that EPS, DER and PBV have no effect on dividend policy. DER, PBV and EPS has significant effect to stock price. Dividend policy is not successful in mediating the effect of earnings per share on stock prices. Dividend policy also failed to mediate the effect of debt euqity to ratio on stock prices. Furthermore, the dividend policy also failed to mediate the effect of price book value on stock prices.

Keywords : *Debt equity to ratio; Dividend Performance; Earning per share; Price book value; Stock price.*

JEL Classification: G11

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Research Background

This research has urgency because of several phenomena that occur in Indonesia, especially regarding stock prices in manufacturing companies. Manufacturing industry activity on the ground continues to squirm up. This is evidenced by the Indonesian Manufacturing Purchasing Managers' Index (PMI) in July 2020, which was at 46.9 or up from the previous month's 39.1 position. An increase of 7.8 points in the survey results released by the Market Stock Price Index was based on increasing business confidence in the gradually normalizing market conditions. So it is interesting to study further on manufacturing companies in Indonesia today.

The stock price is the closing price of the stock market during the Observation period for each type of stock sampled and its movement is always observed by investors. One of the basic concepts in financial management is that the goal of financial management is to maximize the value of the company. For companies that have gone public, this goal can be achieved by maximizing the market value of the share price in question. (Musdalifah Azis et al., 2015), the stock price is defined as follows: "The price in the real market, and is the price that is most easily determined because it is the price of a stock in the ongoing market or if the market is closed, then the market price is the closing price".

Factors affecting stock prices is influenced by direct and indirect factors. Such as earnings per share, debt equity ratio and price book value variabel . In addition, the stock price is basically closely related to the company's financial performance. When the company's financial performance rises, investor confidence will also be high, so usually the stock price will rise. If the company experiences a decline in performance or loss, the stock price will usually fall. The stock price index of manufacturing companies in Indonesia in 2016 was 1,368.70 with a share volume of 11.01B in 2017, an increase in share price of 1,640.18 with a share volume of 20.58B in 2018, a decrease in share price of 1,618, 12 with a share volume of 24.10B in 2019 experienced a decrease in share price of 1,460.81 with a share volume of 12.36B and in 2020 experienced a decrease in share price of 1,326.18 with a share volume of 51.78B. From the data for the last 5 years, the increase in stock prices has only occurred in 2017 while 2018, 2019 and 2020 have decreased in a row, this can occur due to several factors, including the many financial performances of manufacturing companies that experienced a decline or loss or the number of manufacturing companies that implemented the Stock Split system. which means splitting the par value of shares into smaller numbers by splitting the shares into several shares.

One of the variables that also affects the stock price is earnings per share. The ratio of earnings per share is a ratio to measure the success of management in achieving profits for shareholders (Kasmir, 2016). Earning Per Share (EPS) income per share is a form of giving benefits given to shareholders from each share owned (Tandelilin, 2001). By paying attention to the growth of EPS, it can be seen the prospect of the company's growth in the future. EPS is an indicator that affects stock prices, because the company's profit is a factor that affects investors' assessment of the company's condition (Lilianti, 2018).

EPS measures how much dividends per share will be distributed to investors after deducting dividends for company owners. If the company's EPS is high, there will be more investors who want to buy the shares, thus causing the stock price to be high (Dharmastuti & Wirjolukito, 2004). Based on the opinion above, the meaning of EPS in this study is that EPS is information that is widely used by investors and financial analysts to assess company performance. EPS is an indicator that briefly presents the company's performance which is stated with profit after tax divided by the number of shares outstanding. The greater the change in EPS of a company, the prospect of the company in the eyes of investors will increase, so that the risk borne is smaller.

The ratio of earnings per share is a ratio to measure the success of management in achieving profits for shareholders. While the dividend policy is a decision whether the profits earned by the company will be distributed to shareholders as dividends or will be retained in the form of retained earnings to finance investment in the future. (Sari & Hermuningsih, 2020) in their research stated that there was a significant influence between EPS on Dividend Policy. The success of management in achieving shareholder profits in creating earnings per share is the EPS ratio. this greatly affects the interest of investors if the profit per share increases very profitable which has an impact on the quality of the stock price. This statement is in line with research of (Ariyani et al., 2018; Lestari & Susetyo, 2020).

Debt to Equity Ratio (DER) is a ratio that shows the comparison between debt and equity (Suad, 2001). DER is a ratio used to see the company's financial structure by associating total liabilities with total owner's equity (Simamora, 2007). DER shows the comparison between loan funds or debt and capital in the company's development efforts (Dharmastuti & Wirjolukito, 2004).

The DER ratio describes the comparison between total debt and total company equity which is used as a source of company funding (Rosyadi, 2017). DER is used to measure the level of leverage (use of debt) to the total shareholder's equity owned by the company (Robert, 1997). In measuring risk, the attention of long-term

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creditors is mainly focused on profit prospects and cash flow forecasts. Nevertheless, they still pay attention to the balance between the proportion of assets funded by the owner of the company. The balance of these proportions is measured by the ratio between total debt and total equity which is called DER.

Debt to Equity Ratio (DER) is a ratio that shows the comparison between debt and equity (Suad, 2001). While the dividend policy is a decision or step that must be taken by the company to be distributed to shareholders as dividends or will be retained in the form of retained earnings to finance investment in the future, (Sari & Hermuningsih, 2020) in their research stated that there was a significant effect significant relationship between DER and Dividend Policy. If the company's DER is high, the company's stock price will be low. The existence of a relationship between the influence of DER with stock prices is strengthened by the research of (Ariyani et al., 2018; Lestari & Susetyo, 2020).

The stock price cycle in companies, especially manufacturing, has an impact on several investors in their decision-making, one of which is related to dividend policy, according to Agus (2010) dividend policy is a decision whether what the company earns will be distributed to shareholders as dividends or will be retained in the form of retained earnings for investment financing in the future. If the company chooses to distribute profits as dividends, it will reduce retained earnings and further reduce the total source of internal financing. On the other hand, if the company chooses to hold on to the profits earned, then the ability to form internal funds will be even greater.

The theory used is dividend policy, such as signaling theory, which was first proposed by (Spence, 1978) which explains that the sending party (the owner of the information) provides a signal or signal in the form of information that reflects the condition of a company that is beneficial to the recipient (investor). According to (Brigham & Houston, 2006) signal theory explains the perception of management on the company's growth in the future, which will affect response of potential investors to the company. The signal is in the form of information that explain the management's efforts in realizing the owner's wishes. Such information is considered an important indicator for investors and actors business in making investment decisions.

As a form of novelty, we add the dividend policy variable as a mediating variable. Dividend policy is a firm's with respect to paying earnings as dividends rather than retaining them for reinvestment in the firm (Okafor & Chijoke-Mgbame, 2011). It is a profit sharing between payments to shareholders and reinvestment in the company. Thus dividend policy is an important part of the long-term strategy of a finance company. The company's dividend policy can be influenced by several factors. There are at least 8 things that companies must pay attention to before setting their dividend policy. The 8 factors that influence dividend policy include: Liquidity Position of the Company, Need for Funds to Pay Debt, Level of Asset Expansion, Profit Stability, Legislation, Company Control, Limitations in Debt Agreements, & Ability to Borrow.

From dividend policy that can affect financial analysis, dividend policy is able to mediate financial analysis on stock prices because in determining share prices, issuers consider one of the company's financial statements and investors in investing in addition to paying attention to capital gains, they also consider the dividend policy of one issuer. It is also supported by (Ariyani et al., 2018) which states that Dividend Policy is able to mediate between financial analysis including EPS, CR, DER, and PBV that affect stock prices.

Investment in stock instruments for the long term requires analysis of financial ratios. Investors who are able to carry out this analysis will find it easier to choose a good company to invest in. A company can be said to be good if sales grow and debt is maintained. In financial ratios, there are various ratios that are used to choose which shares to buy or sell. You can use the following ratios to see the fair price of the stock, whether the company is growing, see the proportion of debt, and the returns given if you invest in these stocks for the long term.

Meanwhile, the decline in the value of EPS can be caused by several factors such as a decrease in net income and a fixed number of ordinary shares outstanding, fixed net income and an increase in the number of ordinary shares outstanding, a decrease in net income and an increase in the number of ordinary shares outstanding, the percentage increase in the number of shares outstanding. common stock outstanding is greater than the percentage increase in net income. The percentage decrease in net income is greater than the percentage decrease in the number of ordinary shares outstanding.

A company will be said to be an unhealthy company not only from the quality of its human resources or from the value of its sales. However, it can be measured from an internal financial perspective. One way is to measure the debt to equity ratio or the term Debt to Equity Ratio (DER). Debt to Equity Ratio is a debt to equity ratio or financial ratio that compares the amount of debt to equity. This equity and amount of debt is used for the company's operational needs which must be in a proportional amount. In addition, the Debt to Equity Ratio is also commonly called the leverage ratio or leverage ratio where this ratio is used to measure an investment in the company.

Factors that affect DER are increase or decrease in debt, increase or decrease in own capital, debt or fixed own capital, debt increase higher than own capital, or vice versa. In other words, the lower the debt and the higher the equity, the lower the Debt to Equity Ratio, so that the burden of paying loan interest can be reduced. Price to Book Value, abbreviated as PBV, is the ratio of the Share Price to the book value of the company. PBV is used to see how much is a multiple of the market value of a company's stock with its book value. For example, if the PBV is 2x, it means that the share price is twice the net worth of a company. In other words, the Share Price is 2 times more expensive than the net capital. Low PBV is often used as an indicator of looking for cheap or undervalued stocks. Investors are advised to look for stocks with a PBV lower than the average PBV in the industry. factors affecting PBV. These factors include risk, dividend policy, return on equity, growth rate, and leverage.

Price to Book Value (PBV) is the market ratio (market ratio) used to measure the performance of the stock market price against its book value. This ratio shows how far a company is able to create firm value for the amount of capital invested (Robert, 1997). Price to Book Value Ratio (PBV) is a ratio that shows the results of the comparison between the market price per share and the book value per share. This ratio is used to measure the level of stock prices whether overvalued or undervalued. The lower the PBV value of a stock, the stock is categorized as undervalued, which is very good for long-term investment. However, a low PBV value can also indicate a decline in the quality and fundamental performance of the issuer. Therefore, the PBV value must also be compared with the PBV of other issuers in the same industry. If the difference is too far, it should be analyzed further (McDowell et al., 2019).

DER is used to measure the level of leverage (use of debt) to the total shareholder's equity owned by the company (Robert, 1997). In measuring risk, the attention of long-term creditors is mainly focused on profit prospects and cash flow forecasts. Nevertheless, they still pay attention to the balance between the proportion of assets funded by the owner of the company. The balance of these proportions is measured by the ratio between total debt and total equity which is called DER.

Price to Book Value, abbreviated as PBV, is the ratio of the Share Price to the book value of the company. PBV is used to see how much is a multiple of the market value of a company's stock with its book value. In other words, PBV becomes a means of controlling the level of stock prices, it will affect the dividend policy that will be applied by the company, this is in line with (Ariyani et al., 2018) research which states that there is a significant influence between PBV on Dividend Policy. This is supported by research by (Lestari & Susetyo, 2020) which states that there is a significant effect between PBV on stock prices.

From the results of several studies including (Ariyani et al., 2018) which states that Dividend Policy is able to mediate between financial analyzes including EPS, CR, DER, and PBV have an effect on stock prices. Meanwhile, (Lestari & Susetyo, 2020) states that Dividend Policy has not been able to mediate financial analysis including EPS and PBV on stock prices. With the results of previous research, this study will conduct further research with differences in both research variables, population, research samples and different times.

Methods

The research method with a quantitative approach is used in this study because the data that are the object of the research are data expressed in the form of numbers and are the results of calculations and measurements such as EPS, DER, PBV, Stock Prices and Dividend Policy in Manufacturing companies listed in IDX 2017-2020. The sample in this study are manufacturing companies listed on the Indonesia Stock Exchange. The reason for choosing a manufacturing company is because the manufacturing industry activity on the ground continues to squirm up. The sampling technique used purposive sampling using the following criteria: manufacturing companies listed on the Indonesia Stock Exchange (IDX) in 2017-2020, manufacturing companies listed on the IDX that published financial statements in 2017-2020, then manufacturing companies listed on the IDX which is not delisted. After the data is inputted from the annual financial statements, then descriptive data analysis is carried out followed by inferential analysis in the form of classical assumption test such as normality, multicollinearity, and heteroscedasticity tests and path analysis as hypothesis testing.

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Result

The sample used in this study is a manufacturing company listed on the Indonesia Stock Exchange which has complete financial statements and is not delisted in 2017-2020. Furthermore, in detail the results of descriptive statistics can be presented in table 1 which includes the mean, minimum, maximum and standard deviation values.

Table 1. Descriptive Statistic

Variables	Mean	Minimum	Maximum	Std. Deviation
EPS	.326	.0005	4.302	.703
DER	1.117	.0058	3.105	.601
PBV	26.185	.0113	288.839	41.606
Dividen Policy	3.217	.0300	14.800	2.759
Stock Price	3949.810	81.63	21950	4605.05

Source: Data Processed (2022).

The total of 180 data shows that the minimum value of EPS is 0.0005 and the maximum value is 4.3027 with an average value of 0.326139 and a standard deviation of 0.7036217. The DER variable with a minimum value of 0.0058 and a maximum value of 3.1058 with an average value of 1.117211 and a standard deviation of 0.6013220. The PBV variable with a minimum value of 0.0113 and a maximum value of 288.8391 with an average value of 26.185783 and a standard deviation of 41.6063183. Dividend Policy Variable with a minimum value of 0.0300 and a maximum value of 14.800 with an average value of 3.217889 and a standard deviation of 2.7595719. Stock Price variable with a minimum value of 81.63 with a maximum value of 21950.00 and an average value of 3949.8103 with a standard deviation of 4605.05093.

Table 2. Multicollinearity Test

Variables	Tolerance	VIF	Conclusion
EPS	0.985	1.016	Multicollinearity Free
DER	0.984	1.016	Multicollinearity Free
PBV	0.993	1.007	Multicollinearity Free
Dividen Policy	0.993	1.007	Multicollinearity Free

Source: Data Processed (2022).

Table 3. Heteroskedasticity Test

Variables	Sig.	Conclusion
EPS	0,055	Heteroskedasticity Free
DER	0,231	Heteroskedasticity Free
PBV	0,121	Heteroskedasticity Free
Dividen Policy	0,625	Heteroskedasticity Free

Source: Data Processed (2022).

The results of the normality test shows that the significance value is 0.200 > 0.05, so it can be concluded that the research data is normally distributed or it can be called normal assumed data. The results of the multicollinearity test shows that each variable has a tolerance value > 1 and a VIF value < 10. So it can be concluded that the data in this study is multicollinearity free. The results of the heteroscedasticity test in table 3 show that each variable has a significance value greater than 0.05. So it can be concluded that the data in this study are free of heteroscedasticity.

The results of path analysis in table 4 Bellow the effect of EPS on Dividend Policy (KD) has a probability value of 0.959 > 0.05, which means that the effect of EPS on Dividend Policy is said to be insignificant, because the probability value is more than 0.05. Then H1 is rejected and H0 is accepted, then the high or low EPS does not affect the Dividend Policy. Furthermore, the effect of DER on Dividend Policy (KD) is 0.534 > 0.05, which means DER has no effect on Dividend Policy or is not significant, because the results of path analysis or probability value are greater than 0.05. So it can be said that H2 is rejected and H0 is accepted. Then the results from the path analysis of the effect of PBV on Dividend Policy (KD) of 0.376 > 0.05, which means that PBV has no effect on Dividend Policy or is not significant, because the results of the path analysis or probability value are greater than 0.05. So it can be said that H3 is rejected and H0 is accepted.

Tabel 4. Direct Effect

			Estimate	S.E.	C.R.	P	Conclusion
EPS	→	KD	,015	,294	,052	,959	Rejected
DER	→	KD	,214	,344	,622	,534	Rejected
PBV	→	KD	,004	,005	,885	,376	Rejected
DER	→	HS	1147,702	523,774	2,191	,028	Accepted
PBV	→	HS	34,918	7,535	4,634	***	Accepted
EPS	→	HS	1533,824	447,468	3,428	***	Accepted
KD	→	HS	140,821	113,590	1,240	,215	Rejected

Source: Data Processed (2022).

The results of the path analysis in table 4 the effect of dividend policy on stock prices is 0.215 > 0.05, which means that dividend policy has no significant effect on stock prices, because the results of the path analysis or probability value are greater than 0.05. Then H4 is rejected and H0 is accepted. Furthermore, the results of the path analysis of the effect of EPS on stock prices with a probability value of 0.001 < 0.05, which means that EPS has a significant effect on stock prices because the probability value is greater than 0.05, or the level of earnings activity affects stock prices. So it can be interpreted that H5 is accepted and H0 is rejected. Then the results of the path analysis of the effect of DER on stock prices with a probability value of 0.028 <0.05, which means DER has a significant effect on stock prices because the probability value is greater than 0.05, or the high and low DER affects stock prices. So it can be interpreted that H6 is accepted and H0 is rejected. The results of the path analysis of the influence of PBV on stock prices with a probability value of 0.001 < 0.05, it can be interpreted that PBV has a significant effect on stock prices, because the probability value is less than 0.05. So H7 is accepted and H0 is rejected.

Tabel 5. Indirect Effect

Indirect Effect		Z-Sobel	Conculsion
EPS → KD → HS	2,154	0.0509	z- sobel < 1,96
DER → KD → HS	30,144	0.556	z- sobel < 1,96
PBV → KD → HS	0,617	0.672	z- sobel < 1,96

Source: Data Processed (2022).

The results of the path analysis using the Sobel test in table 5 the effect of Dividend Policy as an intervening variable between EPS on stock prices with a z-sobel value of 0.05097726 < 1.96. It can be interpreted that EPS has no effect on Stock Prices through Dividend Policy or it can also be called an insignificant path analysis because the z-sobel value is smaller than 1.96. Then H8 is rejected and H0 is accepted. Furthermore, the results of the path analysis on the effect of Dividend Policy as an intervening variable between DER on stock prices with a z-sobel value of 0.55601669 < 1.96. It can be interpreted that DER has no effect on Stock Prices through Dividend Policy or it can also be called an insignificant path analysis because the z-sobel value is smaller than 1.96. Then H9 is rejected and H0 is accepted. Then the results of the path analysis on the effect of Dividend Policy as an intervening variable between PBV on stock prices with a z-sobel value of 0.67219439 < 1.96. It can be interpreted that PBV has no effect on Stock Prices through Dividend Policy or it can be said to be insignificant, because the z-sobel value is less than 1.96. So that the hypothesis test can be said that H10 is rejected and H0 is accepted.

Discussion

Effect of Earning Per Share on Dividend Policy

The high or low value of earnings per share does not affect the rate of increase in dividend policy. Based on the results of descriptive analysis illustrates that the highest EPS data for manufacturing companies was 4.3027 for the SRIL Sri Rejeki Isman Tbk company in 2019, and the lowest EPS for manufacturing companies was 0.0005 for the AUTO Astra Otoparts Tbk company in 2020 with an average EPS value of obtained by 0.326139 means that the highest EPS value has a difference of 3.97% against the average value and 0.33% difference between the smallest value and the average. The results of this study explain that the ratio of earnings per share is a ratio to measure the success of management in achieving profits for shareholders. While the dividend policy is a decision whether the profits earned by the company will be distributed to shareholders as dividends or will be retained in the form of retained earnings for investment financing in the future, with the results stating that EPS has no effect on dividend policy because the majority of manufacturing companies prefer choosing to make the company's profits into retained earnings rather than being distributed to shareholders as dividends, this is evidenced that the largest profit per share is only 4.30% of the total profit owned by the company in the period concerned. The results of this study are not in line with the research of (Hunjra et al., 2014; Sari & Hermuningsih, 2020) in his research which states that there is a significant influence between EPS on Dividend Policy.

The Effect of Debt to Equity Ratio on Dividend Policy

The results of this study indicate that the high or low value of debt owned by the company as capital does not affect the rate of increase in dividend policy. Based on the results of descriptive analysis illustrates that the highest DER data for manufacturing companies is 3.1058 at the EKAD Ekadharma International Tbk company in 2020, and the lowest DER value for manufacturing companies is 0.0058 at the IMAS Indomobil Sukses International Tbk company in 2018 with an average DER value of obtained at 1.117211 means that the highest DER value has a difference of 1.99% against the average value owned and a difference of 1.11% between the smallest value and the average. The results of this study explain that debt to equity ratio is a ratio that shows the comparison between debt and equity. While the dividend policy is a decision or step that must be taken by the company to be distributed to shareholders as dividends or will be retained in the form of retained earnings for investment financing in the future, with the results stating that DER has no effect on dividend policy due to: the majority of manufacturing companies prefer to make retained earnings and stock investments used as capital in running their companies rather than making loans, this is evidenced by the highest value decided by the company in making loans of 3.10% of the total capital owned. The results of this study are not in line with the research of (Pattiruhu & PAAIS, 2020; Sari & Hermuningsih, 2020) in his research which states that there is a significant influence between DER on Dividend Policy.

The Effect of Price to Book Value on Dividend Policy

The high or low multiple of the market value of the company's stock with its book value does not affect the rate of increase in dividend policy. Based on the results of descriptive analysis illustrates that the highest PBV data for manufacturing companies was 288.8391 at the MLBI Multi Bintang Indonesia Tbk company in 2018, and the lowest PBV value for manufacturing companies was 0.0113 at the AUTO Astra Otoparts Tbk company in 2019 with an average DER value of obtained by 26.185783, meaning that the highest DER value has a difference of 263 times against the average value and 26.17 times the difference between the smallest value and the average. The results of this study explain that Price to book value is the ratio of the share price to the book value of the company. PBV is used to see how much is a multiple of the market value of a company's stock with its book value. In other words, PBV becomes a means of controlling the level of stock prices, it will affect the dividend policy that will be applied by the company, with the results stating that PBV has no effect on dividend policy because dividend policy in a company does not increase the book value of the company's shares with a comparison of market value share. The results of this study are not in line with the research of (Ariyani et al., 2018; Sukmawardini & Ardiansari, 2018) which states that there is a significant influence between PBV on Dividend Policy.

The Effect of Dividend Policy on Stock Prices

The results of this study indicate that the high or low of a company providing dividends does not affect the rate of increase in stock prices. Based on the results of descriptive analysis illustrates that the highest Dividend Policy in manufacturing companies is 14,8000 at the WSBP company Waskita Beton Precast Tbk in 2019, and the lowest value is the Dividend Policy in manufacturing companies, which is 0.0058 at the Tjiwi Kimia Tbk TKIM Paper Factory company in 2017 with an average value The average dividend policy obtained is 3.217889, meaning that the highest dividend policy value has a difference of 11.58% against the average value owned and a difference of 3.212% between the smallest value and the average value. The results of this study explain that dividend policy is a decision or step that must be taken by the company to be distributed to shareholders as dividends or will be withheld, this greatly affects the interest of investors if the dividend distribution is very profitable which has an impact on the Quality of Share Prices, with the results stating that the Dividend Policy does not affect stock prices because the majority of manufacturing companies prefer to make company profits into retained earnings rather than being distributed to shareholders as dividends, this is evidenced that the largest dividend distribution is only 11.58% of the company's total profits in the same period. concerned. The results of this study are not in line with the research of (Admi, 2019; Asghar et al., 2011; Lestari & Susetyo, 2020; Rashid & Rahman, 2008) which states that there is a significant influence between Dividend Policy on Stock Prices.

The Effect of Debt to Equity Ratio on Stock Prices

The results of this study indicate that the high and low value of debt owned by the company as capital affects the rate of increase in stock prices. Based on the results of descriptive analysis illustrates that the highest DER data for manufacturing companies is 3.1058 at the EKAD Ekadharma International Tbk company in 2020, and the lowest DER value for manufacturing companies is 0.0058 at the IMAS Indomobil Sukses International Tbk company in 2018 with an average DER value of obtained at 1.117211 means that the highest DER value has a difference of 1.99% against the average value owned and a difference of 1.11% between the smallest value and the average. The results of this study explain that debt to equity ratio is a ratio that shows the comparison between debt and equity. While the stock price is the value offered and determined by the company in investing, with the results stating that DER has an effect on stock prices because DER is a financial analysis that can compare or determine the company's movement in seeking capital whether it is more into debt or investment in the form of shares. The results of this study are not in line with the research of (Ariyani et al., 2018; Kamar, 2017; Lestari & Susetyo, 2020; Sukesti et al., 2021) in his research stated that there was a significant effect between DER on stock prices.

The Effect of Price to Book Value on Stock Prices

The results of this study indicate that the high or low multiples of the market value of the company's stock with its book value affect the rate of increase in stock prices. Based on the results of descriptive analysis illustrates that the highest PBV data for manufacturing companies is 288.8391 for MLBI Multi Bintang Indonesia Tbk in 2018, and the lowest PBV for manufacturing companies is 0.0113 for AUTO Astra Otoparts Tbk in 2019 with an average DER value of obtained by 26.185783, meaning that the highest DER value has a difference of 263 times against the average value and 26.17 times the difference between the smallest value and the average. The results of this study explain that PBV is the ratio of the Share Price to the book value of the company. PBV is used to see how much is a multiple of the market value of a company's stock with its book value. In other words, PBV becomes a means of controlling the high and low of stock prices with such control having an effect on higher quality stock prices or not, with the results stating that PBV affects stock prices, the majority of manufacturing companies' stock prices have very good stock price control on prices. market shares. The results of this study are not in line with the research of (Hanifah, 2019; Laurens, 2018; Lestari & Susetyo, 2020) which states a significant influence between PBV on stock prices.

Conclusion

The results of this study indicate that earnings per share have no effect on dividend policy. Debt equity ti ratio has no effect on the company's dividend policy. Price book value has no effect on the company's dividend policy. Dividend performance has no effect on stock prices in Manufacturing companies listed on the IDX in 2017-2020, so the size of the Dividend Policy has no impact on the stock prices of Manufacturing companies. Earnings per share affect the stock price of the company. Debt equity to ratio has an effect on stock prices in the company. Price book value has an effect on stock prices. Dividend policy is not successful in mediating the effect of earnings per share on stock prices. Dividend policy also failed to mediate the effect of debt euqity to ratio on stock prices. Furthermore, the dividend policy also failed to mediate the effect of price book value on stock prices.

This research still has many limitations and shortcomings that occur beyond reason or research plans, so that it can be taken into consideration for further researchers so that the research results obtained are even better. These limitations include time constraints, so this research only takes research objects only in manufacturing companies listed on the IDX and only uses the last 3 periods. Furthermore, this study only uses 3 independent variables so that it is not optimal in finding the level of influence on the dependent variable.

For further researchers, it is recommended to add or update the year and research variables, because this study only examined 3 years and only 4 independent variables, it would be better if the year and the variables were added. So that it can provide a broad overview of the factors that influence the stock price. It is also advisable to research other sectors such as banking, LQ-45, and so on.

Reference

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