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Effect of current ratio, debt ratio and return on assets on share price group company industrial real estate and property in Indonesia stock exchange

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Abstract
This study aimed to determine the effect of the current ratio, debt ratio and return on assets to the stock price. The study was conducted on the shares of the real estate industry and property. The data involved is observed in 2008-2016 which includes 19 companies, and the sampling technique used purposive sampling. The results showed that the current ratio, debt ratio and return on assets effect on stock prices.

Keywords: current ratio, debt ratio, return on assets, a stock price

Introduction

Before buying shares of stocks required an analysis is a fundamental analysis. Fundamental analysis is the analysis to study the relationship between the stock price with the condition of the company, by looking at economic indicators, especially with regard to the performance of the company such as sales volume, wealth, price, and so on. Fundamental analysis is done with the aim at the fundamental aspects of a companies foray into the capital market. Broadly speaking, the fundamental analysis approach asset the investment in the form of dividends and the company's prospects. Basically, this approach places emphasis on the value or price of a stock based on the value or price of a stock based on the level of income (returns) to be derived from these shares.

Another analysis is technical analysis. Technical Analysis / Technical Analysis is the opposite of fundamental analysis because it emphasizes more on external factors of the issuer's company that affect the rise and fall of stock prices and the ups and downs of demand and shares. The method used to analyze stocks is by observing stock prices for several periods, then creating a chart/table. This approach argues that stock prices are influenced by a particular mode of flow, without ruling out external factors, such as economic policies and so on.

In the Capital Asset Pricing Model (CAPM) theory proposed by Sharp, Lintner, and Mossin (1970), the level of stock prices is influenced by market prices. In the Arbitrage Pricing Theory (APT) theory proposed by Roll and Ross (1980) the stock price level is predicted both the characteristics of the company and macroeconomic factors. The company's fundamental factors considered in this study are the Current Ratio and Debt-Equity Ratio. While macroeconomic factors are not included in this study considering fundamental factors are considered more dominant than external factors.

One industry group in the Indonesia Stock Exchange (BEI) is a group of real estate and property industry. Companies in this group are the company expands business in the construction of housing, office buildings or other infrastructure facilities. This company is a company that was taken into account in the development of Indonesia's development.

On the stock market information received by each of the parties are not the same. In other words, the theory of signals associated with information asymmetry. Theory signals indicate asymmetry of information between the company's management with the interested parties with information. Therefore, managers need to provide information to the parties concerned through the issuance of the financial statements. Signal theory put forward about how should a company give a signal to users of financial statements. These signals in the form of information about what has been done by the management to realize the wishes of the owner. Signals can be either promotional or other information which states that the company is better than any other company. Share price development and real estate property can be seen in the following figure.

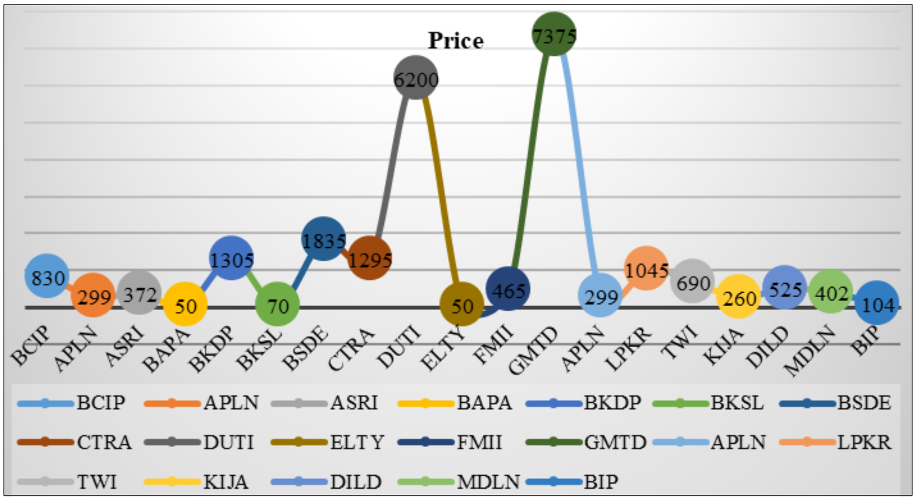

Fig 1: Development of share price

Development of the stock price above is a stock property and real estate industry as many as 19 companies. Stock prices were observed in March 2016. The highest share price was at stake GMTD namely Rp 7375

Sathe one factor that affects the stock price is the company's financial fundamentals. One of the financial ratios used to measure the level of liquidity of the company is the ratio Current ratio (CR). The liquidity level indicates the company's ability to meet the obligations or loans that short-term duration. The short-term here using less than 1 year. The current ratio is obtained by dividing the current assets by current liabilities. Current assets are assets whose use is less than one such as cash, accounts receivable, equipment, load in pay upfront and so on. Calculation of current ratio or current ratio is one of the fundamentals of the company. The current ratio is predicted to affect the stock price. Share prices reflect one of the company's performance. Company performance that can be seen from the level of achievement of company profits will be addressed by investors well by buying the company's shares because they are considered to provide benefits as expected. But in this case, the company's stock price does not reflect the expected level of profit.

The development of the ratio of the current ratio in property and real estate companies can be seen in the graph below.

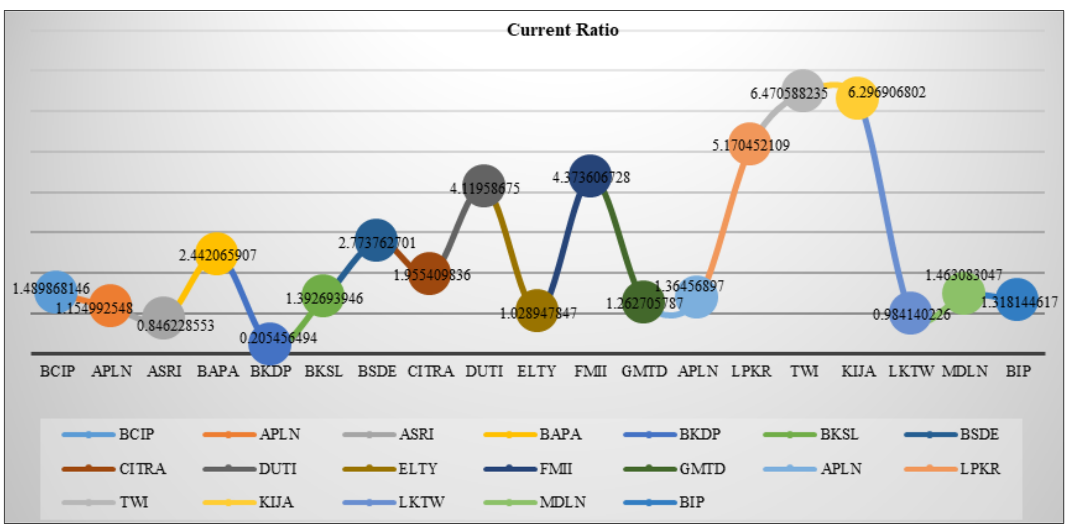

Fig 2: Development of current ratio

In the picture above, it can be seen that there are 19 companies in the property and real estate industry that analyzed their data in 2016. The largest current ratio is TWI's share, which is 6.247. This value means that every IDR 1 current debt is guaranteed by current assets of IDR 6,247.

Another factor is the ratio of the debt. The ratio of debt (leverage ratio) to measure the ability of the company meets all the long-term financial obligations. The ratio of debt to gauge how big the company is financed by the creditors as compared to its assets. Debt is an instrument which is quite important for a company, especially to meet the needs of business operations or for capital investment. Because so important that almost all companies have debts. Debt is an instrument which is quite important for a company, especially to meet the needs of business operations or for capital investment. Because so important that almost all companies have debts. The development of the debt ratio can be seen in the image below.

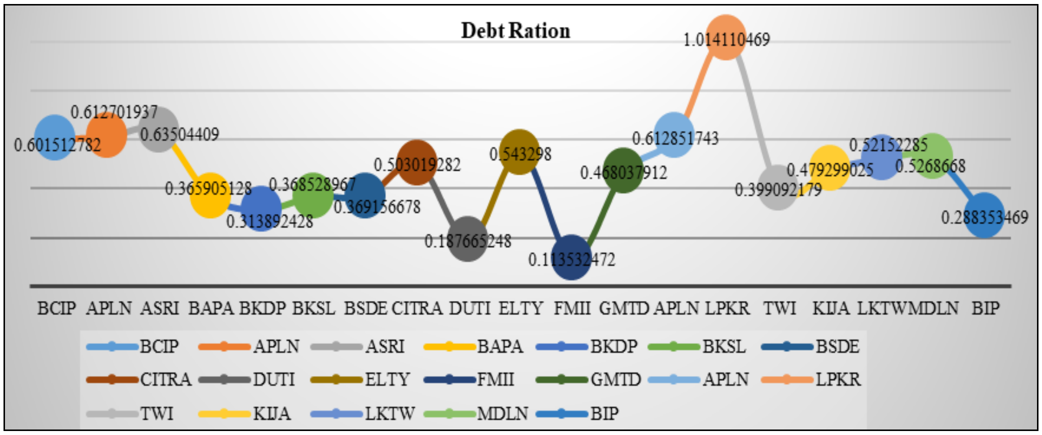

Fig 3: Development of the debt ratio

Based on the figure above, the largest debt ratio is in LPKR's shares of 1,014. Debt is part of the effect, Law RI No. 8 of 1995 Chapter 1 Article 1 Paragraph 5 concerning Capital Market, Securities are securities, which can be in the form of letters of debt, commercial securities, stocks, bonds, proof of debt, units of collective investment contracts, futures contracts for securities, and each derivative of the effect. Furthermore, debt is all the company's financial obligations to other parties that have not been fulfilled, and debt is a source of funds or capital of the company that comes from creditors.

Another factor that is predicted to influence stock prices is the amount of return on company assets. Return on Assets or Economic Rentability is a ratio that shows the company's ability to generate profits by utilizing all assets owned. Profit generated according to the calculation of this ratio is profit before interest and tax or often referred to as EBT. The higher the ratio obtained, the better the ability of the company to make a profit by utilizing all its assets. The development of the ratio of return on assets can be described in the following figure.

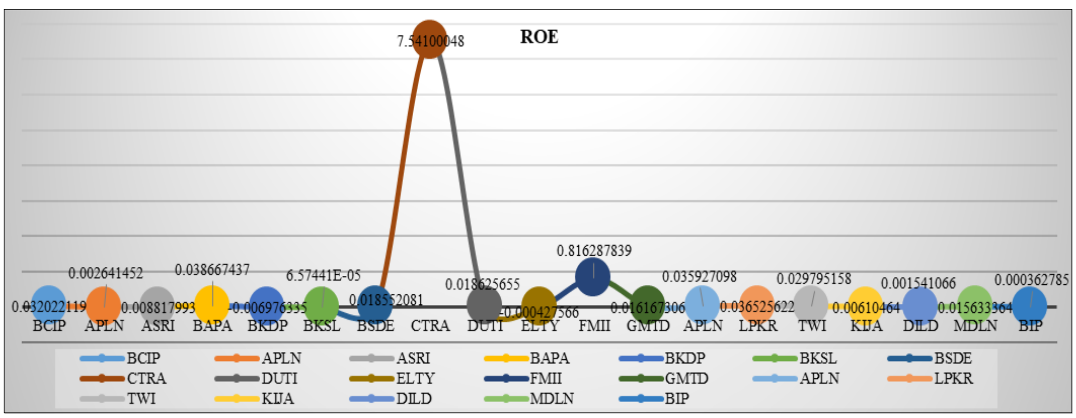

Fig 4: Development of ROE

In connection with the description presented, the authors are very interested in discussing the influence of the Current ratio, debt ratio and return on assets to influence the stock price of real estate and property industry groups.

Literature review

Stock price

The nominal value is the value listed on the relevant shares that function for accounting purposes. The nominal value of a share must exist and be included in the profit letter of the stock shares in rupiah, not in the form of foreign currency.
The advantage of a stock's basic stock is closely related to the profit of a market share in a stock. On the principle of the share, base profit is determined from the initial share profits when the shares are issued, the profits of these basic shares will change according to the actions of various issuers related to stocks, including Right issue, Stock split, warrants, and others. Basic stock profits are used in the calculation of the stock index profit index.
Market share gain is an advantage in the market. If a securities market is closed then the profit share stock market is closing share gain (closing price). So this is the market share of the rise and fall of a stock.
Data on financial statements could affect the investors to make their investment. If the financial statements properly then it will be taken by investors with positive means that the investor will invest in the stock.
Share prices reflect one of the company's performance. Company performance that can be seen from the level of achievement of company profits will be addressed by investors well by buying the company's shares because they are considered to provide benefits as expected. But in this case, the company's stock price does not reflect the expected level of profit.

Share prices can be classified into three, namely the past price (previous), closing price and opening price. The past price of a stock is the stock price before the current period while the closing price is the price at the closing of the capital market on the stock exchange. The opening price is the stock price when the capital market is closed.

Current ratio

One of the financial ratios used to measure the level of liquidity of the company is the current ratio. The liquidity level indicates the company's ability to meet the obligations or loans that are short-term duration. The short-term here using less than 1 year.

The current ratio is obtained by dividing the current assets by current liabilities. Current assets are assets that use is less than cash, accounts receivable, equipment, load in pay upfront and so on. Understanding the use of less than a year is that assets such as accounts receivable are less than one year. Receivables are bills that come from the sale of company credit. The bill is weekly in duration and no longer than one month. Equipment is said to be current assets because the use of current assets such as printer ink and paper or stationery for other offices is not more than a few days.

Current asset

Every company must have assets for operations, financing or investment. Without assets, a company cannot carry out these activities. Basically, assets or often referred to as assets are all assets owned by a particular company, and that wealth will be used by the company to conduct business operations. Assets or assets are very closely related to liabilities (debt) and equity, in addition to being part of the balance sheet element, also because the acquisition cannot be separated.

Assets are all assets owned by a company, what is meant by this wealth are resources that can be in the form of objects or rights that are controlled and previously obtained by the company through past transactions or events/activities. To be recognized as an asset, wealth or resources must be able to be measured using a currency unit, can be rupiah, dollar, or other currency depending on the situation and conditions that accompany.

Basically, assets can be classified into two main parts, namely current assets and non-current assets. Before we go further, we talk about Current Assets and Non-Current Assets. It would be better if we first look at the definition of assets. Assets are resources that are controlled by the company as a result of past events and from which future economic benefits are expected to be obtained by the company.

Current assets are cash and other assets or sources that are expected to be realized into cash or sold or consumed during the company's normal business cycle or within one year, whichever is longer.

Current assets, are the most liquid assets, meaning that the fastest to be converted/converted to cash or cash, and these current assets have a relatively short cycle/turnover and useful life, which is one year. This asset does not mean it is only useful in one year, but because the turnover is very fast, the previous assets are very easy to run out and will be replaced with other assets, so that until the end of the year there must be a book closing.

Debt ratio

Debt ratio to measure how much the company's ability to meet all long-term financial obligations. Debt ratio to measure how much the company is financed by the creditor compared to its assets

The formula calculates Ratio leverage

The leverage ratio Ratio = Total Debt / assets X 100%

Note: The higher the percentage value Solvency Ratio is getting worse and ability to pay long-term liabilities, the maximum value is 200%

Debt

Debt is an important instrument for a company, especially to meet the needs of business operations for capital investment. Because it's so important that almost all companies have debts.

Debt is part of the effect, Law No. 8 1995 Chapter 1 Article 1 Section 5 about Capital Markets, Securities is a security, which can be either a letter of acknowledgment of debt, commercial paper, stocks, bonds, proof of debt, units of collective investment contracts, futures contracts on securities, and any derivative of the effect. Further, the loans are all financial obligations to other parties who have not been fulfilled, and the debt is a source of funds or capital companies from creditors.

In the science of accounting theory, debt is defined as an economic sacrifice in the future carried out by a company in the form of delivery of assets, services, as a result of past transactions or events. Economic sacrifice means delivery (which must be issued) by the company in the form of assets or services (services can mean orders that have not been fulfilled but have received payment). Whereas what is meant by past transactions is a transaction carried out by a company that causes the debt to exist, for example: borrowing from a bank or other party, accepting an order with a down payment, etc.

So, we can understand that debt can not only be cash only but can also be unfulfilled orders. Well, this debt is also divided into three types, namely short-term debt, medium-term debt, and long-term debt.

Short-term debt is a financial liability of a company whose payment will be made in the short term (one year from the balance sheet date) using current assets owned by the company. Medium-term debt is debt that has a period of more than one year and less than ten years. Then what is meant by long-term debt is a form of agreement between the borrower and the creditor, the creditor is willing to provide a number of certain loans and the borrower is willing to pay periodically which includes interest and loan principal, long-term debt has a period of more than 10 years.

Return on Investment (ROI)

Return on Investment is a relatively general ratio used to measure the ability of an eclectic company to generate profits in order to close the investment cost accounting system that has been issued. For the record, this ratio calculation involves profit which is net income after tax (Earning after Tax). This ratio formula:

Return on assets (ROA)

Return on Assets or Economic Rentability is a ratio that shows the company's ability to generate profits by utilizing all assets owned. Profit generated according to the calculation of this ratio is profit before interest and tax or often referred to as EBT. The higher the ratio obtained, the better the ability of the company to make a profit by utilizing all its assets. The ROA formula is:

Return on Assets = (EBT: Total Assets) x 100%

Methodology

Object of research

The research was conducted on the shares of the real estate industry and property group companies in the Indonesia Stock Exchange.

Research period

The research period is from 2008 to 2016. Data is taken every year which is compiled in time series. The sampling technique used purposive sampling technique.

Results and discussion

1. Current ratio calculation

Data in the study include current assets, current liabilities to calculate the current ratio. The development of such data can be presented in the table below.

Table 1: Development of the current ratio of the company

NO.	Company	Code	AL	HL	CR
1	PT. Bumi Citra Permai Tbk	BCIP	266 892	179 138	1.489868
2	PT. Agung Podomoro Land Tbk	APLN	8525	7381	1.154993
3	PT. Alam Sutera Realty bk	ASRI	2614	3089	0.846229
4	PT. Bekasi Asri Starter Tbk	FATHER	133 244	54 562	2.442066
5	PT. BKPD Tbk	BKDP	50447.906	245,540.6	0.205456
6	PT. BKSL Tbk	BKSL	3978162.3	2856451	1.392694
7	PT. Bumi Serpong Damai Tbk	BSDE	16848664	6074299	2.773763
8	PT. Ciputra Development Tbk	IMAGE	14.91	7.625	1.95541
9	PT. Ertiwi Duta Tbk	DUTI	4250672	1031820	4.119587
10	PT. Bakrie Land Development Tbk	ELTY	6208767	6034093	1.028948
11	PT. Fortune Mate Indonesia Tbk	FMII	364.527	83.347	4.373607
12	PT. Gowa Makasar Tbk	GMTD	508902	403025	1,262706
13	PT. APLN Tbk	APLN	9399,5429	6888,287	1,364569
14	PT. LPKR Tbk	LPKR	37,37998	7,229538	5,170452
15	PT. Jaya Real Property Tbk	TWI	2970	459	6,470588
16	PT. Kawasan Industri Jababeka	KIJA	7681817	1219935	6,296907
17	PT. Intiland Development Tbk	LKTW	3341967	3395824	0,98414
18	PT. Modernland Realty Tbk	MDLN	3781284	2584463	1,463083
19	PT. Bhuwanatala Indah Permai Tbk	BIP	128846	97748	1,318145
	Average				**2,427**

Based on the table above, the company that has the largest current ratio is PT. Jaya Real Property Tbk amounting to 6.470 while the company that has the smallest current ratio is PT. BKPD Tbk is 0.205. The current ratio shows the comparison between current assets and the minimum ratio for companies is 2.00.

2. Calculation of debt ratios

Debt ratios are obtained by comparing debt and assets. Debt development, assets, and debt ratio calculations can be seen in the following table.

Table 2: Development of debt ratios

NO.	Company	CODE	H	A	RH
1	PT. Bumi Citra Permai Tbk	BCIP	501240	833299	0,601513
2	PT. Agung Podomoro Land Tbk	APLN	16005	26122	0,612702
3	PT. Alam Sutra Realty bk	ASRI	12819	20186	0,635044
4	PT. Bekasi Asri Pemula Tbk	BAPA	65890	180074	0,365905
5	PT. BKPD tbk	BKDP	247254,1	787703,1	0,313892
6	PT. BKSL tbk	BKSL	4178802	11339142	0,368529
7	PT. Bumi Serpong Damai Tbk	BSDE	14628884	39627846	0,369157
8	PT. Ciputra Development Tbk	CITRA	14,661	29,146	0,503019
9	PT. Duta Pertiwi Tbk	DUTI	1842823	9819735	0,187665
10	PT. Bakrie Land Development Tbk	ELTY	7665994	14110109	0,543298
11	PT. Fortune Mate Indonesia Tbk	FMII	86,232	759,536	0,113532
12	PT. Gowa Makasar Tbk	GMTD	577314	1233477	0,468038
13	PT. APLN Tbk	APLN	16837,39	27473,84	0,612852
14	PT. LPKR Tbk	LPKR	23,18671	22,86409	1,01411
15	PT. Jaya real Property Tbk	TWI	3429	8592	0,399092

16	PT. Kawasan Industri Jababeka	KIJA	5248575	10950523	0,479299
17	PT. Intiland Development Tbk	LKTW	6350396	12176640	0,521523
18	PT. Modernland Realty Tbk	MDLN	7594551	14414556	0,526867
19	PT. Bhuwanatala Indah Permai Tbk	BIP	488027	1692461	0,288353
	Average				0,469705

Based on the table above it is known that the highest debt ratio is PT. LPKR is not equal to 1,014 while the smallest debt ratio is PT. Duta Pertiwi Tbk is 0.18. A small debt ratio indicates a debt burden that must be borne by a low company. Companies that have debt ratios above 0.5 indicate companies that are not solvable.

3. Development of Return on Assets (ROA)

ROA ratio shows the comparison between earnings and assets. The number of company profits and assets can be seen in the following table.

Table 3: Company ROA Value

NO.	COMPANY	CODE	PROFIT	A	ROA
1	PT. Bumi Citra Permai Tbk	BCIP	26684	833299	0,03202
2	PT. Agung Podomoro Land Tbk	APLN	69	26122	0,00264
3	PT. Alam Sutra Realty bk	ASRI	178	20186	0,00882
4	PT. Bekasi Asri Pemula Tbk	BAPA	6963	180074	0,03867
5	PT. BKPD tbk	BKDP	-5495,3	787703,1	-0,007
6	PT. BKSL tbk	BKSL	745,481	11339142	6,6E-05
7	PT. Bumi Serpong Damai Tbk	BSDE	735179	39627846	0,01855
8	PT. Ciputra Development Tbk	CITRA	219,79	29,146	7,541
9	PT. Duta ertiwi Tbk	DUTI	182899	9819735	0,01863
10	PT. Bakrie Land Development Tbk	ELTY	-6033	14110109	-0,0004
11	PT. Fortune Mate Indonesia Tbk	FMII	620	759,536	0,81629
12	PT. Gowa Makasar Tbk	GMTD	19942	1233477	0,01617
13	PT. APLN Tbk	APLN	987,055	27473,84	0,03593
14	PT. LPKR Tbk	LPKR	0,83513	22,86409	0,03653
15	PT. Jaya real Property Tbk	TWI	256	8592	0,0298
16	PT. Kawasan Industri Jababeka	KIJA	66849	10950523	0,0061
17	PT. Intiland Development Tbk	LKTW	18765	12176640	0,00154
18	PT. Modernland Realty Tbk	MDLN	225348	14414556	0,01563
19	PT. Bhuwanatala Indah Permai Tbk	BIP	614	1692461	0,00036
	Average				0,45323

ROA value is calculated based on the company's profit and asset data in 2016. ROA value is derived from dividing profits with company assets. Based on the table above the value of earnings expressed by the largest ROA is PT. Ciputra Development Tbk is 7,541 and the smallest is PT. BKSL Tbk. The average ROA is 0.45323.

4. Stock price development

The development of stock prices is determined based on the stock price as of March 31, 2016, which is adjusted to the previous variable data. The development of stock prices can be seen in the following table.

Table 4: Development of stock prices

NO.	COMPANY	CODE	PRICE
1	PT. Bumi Citra Permai Tbk	BCIP	830
2	PT. Agung Podomoro Land Tbk	APLN	299
3	PT. Alam Sutra Realty bk	ASRI	372
4	PT. Bekasi Asri Pemula Tbk	BAPA	50
5	PT. BKPD tbk	BKDP	1.305
6	PT. BKSL tbk	BKSL	70
7	PT. Bumi Serpong Damai Tbk	BSDE	1.835
8	PT.Ciputra Development Tbk	CTRA	1.295
9	PT. Duta ertiwi Tbk	DUTI	6.200
10	PT. Bakrie Land Development Tbk	ELTY	50
11	PT. Fortune Mate Indonesia Tbk	FMII	465
12	PT. Gowa Makasar Tbk	GMTD	7.375
13	PT. APLN Tbk	APLN	299
14	PT. LPKR Tbk	LPKR	1.045
15	PT. Jaya Real Property Tbk	TWI	690
16	PT. Kawasan Industri Jababeka	KIJA	260

17	PT. Intiland Development Tbk	DILD	525
18	PT. Modernland Realty Tbk	MDLN	402
19	PT. Bhuwanatala Indah Permai Tbk	BIP	104
	Average		1,235

Based on the chart above is known to the average stock price is Rp 1,235. The highest share price is PT. Gowa Makassar Tbk and the lowest share price of USD 50, PT. Bakri Land Development and PT. Bekasi Asri Starter Tbk.

Discussion

1. Effect of the current ratio, debt ratio and return on assets to the stock price

Linear analysis model can be based on calculations using SPSS program as follows.

Table 5: Results of the analysis of the first equation

Coefficients						
Model		Coefficients unstandardized		standardized Coefficients	t	Sig.
		B	Std. Error	beta		
1	(Constant)	2128.359	1504.354		1.415	, 178
	CR	38.979	268.520	, 037	, 145	, 887
	RH	-2,101.008	2607.557	-, 204	-, 806	, 433
	ROA	-1.747	296.553	-, 001	-, 006	, 995
a. Dependent Variable: PRICE						

Based on the table above, the simultaneous regression equation can be described as follows

Y = 2128,359 + 38,979X1-2101,008X2-1,747X3

The calculated F value can be obtained from the following table

Table 6: F values Calculate simultaneous equations

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3209652,994	3	1069884,331	,227	,876b
	Residual	70690131,111	15	4712675,407		
	Total	73899784,105	18			
a. Dependent Variable: PRICE						
b. Predictors: (Constant), ROA, RH, CR						

Based on the table above it is known that the calculated F value is 0.227 and the significance is 0.876. This value is greater than 0.05. This means that the current ratio, debt ratio and return on assets variables do not affect the stock price simultaneously. The magnitude of the effect of the independent variable on the dependent variable can be seen from the value of r squared as follows.

Table 7: Value of r squared first regression model

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,208a	,043	-,148	2170,86974
a. Predictors: (Constant), ROA, RH, CR				
b. Dependent Variable: PRICE				

Based on the table above it is known that the value of r squared is 4.3% meaning that the current ratio variable, debt ratio and return on assets affect the stock price by 4.3% while the rest is influenced by other variables not included in the equation model.

2. Analysis of the effect of current ratio on stock prices partially

The results of the analysis of the effect of the current ratio on stock prices can be partially seen in the following table.

Table 8: Results of the analysis of the second regression equation

Coefficientsa						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1119,161	786,310		1,423	,173
	CR	47,859	257,298	,045	,186	,855
a. Dependent Variable: PRICE						

The regression equation from the data above can be seen as follows

Y = 1119,161 + 47,859X1

Based on the table the results of the above analysis note that the t value is 0.186. The significance value is 0.906. This significance value is greater than 0.05. This means that the current ratio variable does not affect the stock price partially. The magnitude of the effect of the current ratio on stock prices can be seen in the following table.

Table 9: The value of r squared for the second equation

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	,045a	,002	-,057	2082,83868
a. Predictors: (Constant), CR				

Based on the table above, it can be seen that the value of r squared is 0.002. This means that the effect of the NPM variable on the stock price is 0.02% and the rest is influenced by other variables not included in the equation model.

3. Analysis of the effect of debt to stock price ratios partially

The results of the analysis of the effect of debt on stock price ratios using partial regression can be seen in the following table.

Table 10: Results of the third regression equation analysis

Coefficients						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	2229,411	1241,936		1,795	,090
	RH	-2116,425	2449,032	-,205	-,864	,400
a. Dependent Variable: PRICE						

The regression equation from the data above can be seen as follows

Y = 2229,411-2116,425X2

Based on the table the results of the above analysis show that the t value is -0.864. The significance value is 0.400. This significance value is greater than 0.05. This means that the debt ratio variable does not affect the price of a share partially. The magnitude of the effect of the debt ratio to stock prices can be seen in the following table.

Table 11: Value of r squared third equation

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	,205a	,042	-,014	2040,61605
a. Predictors: (Constant), RH				

Based on the table above, it can be seen that the r square value is 0.042. This means that the influence of the Net Profit Margin variable on the stock price is 4.2% and the rest is influenced by other variables not included in the equation model.

4. Analysis of the effect of return on assets on stock prices partially

The results of the analysis of the effect of return on assets on stock prices by using regression partially can be seen in the following table.

Table 12: Results of the third regression equation analysis

Coefficients						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	1236,348	495,418		2,496	,023
	ROA	-2,277	284,683	-,002	-,008	,994
a. Dependent Variable: PRICE						

The regression equation from the data above can be seen as follows

Y = 1236,348-2,277X3

Based on the table, the results of the above analysis show that the t value is -0.008. The significance value is 0.994. This significance value is greater than 0.05. This means that the variable return on assets does not affect the stock price partially. The magnitude of the effect of return on assets on stock prices can be seen in the following table.

Table 13: Value of r squared third equation

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	,002a	,000	-,059	2084,95318
a. Predictors: (Constant), ROA				

Based on the table above it can be seen that the value of r squared is 0.00. This means that the effect of the return on assets variable on the stock price is 0.2% and the rest is influenced by other variables not included in the equation model.

Conclusions and recommendations

Conclusion

Current ratio variables, debt ratios and return on assets do not affect the stock price simultaneously. The calculated F value is 0.227 and the significance is 0.876. This value is greater than 0.05. The value of r squared is 4.3% meaning that the current ratio, debt ratio and return on assets variables affect the stock price of 4.3% while the rest is influenced by other variables that are not included in the equation model.

Current ratio variables do not affect the stock price partially. T value is 0.186. The significance value is 0.906. This significance value is greater than 0.05. The value of r squared is 0.002. This means that the effect of the NPM variable on the stock price is 0.02% and the rest is influenced by other variables not included in the equation model.

Debt ratio variables do not affect the stock price partially. T value is -0.864. The significance value is 0.400. This significance value is greater than 0.05. The value of r squared is 0.042. This means that the influence of the Net Profit Margin variable on the stock price is 4.2% and the rest is influenced by other variables not included in the equation model.

Variable return on assets does not affect the stock price partially. The value of t is -0.008. The significance value is 0.994. This significance value is greater than 0.05. The value of r squared is 0.00. This means that the effect of the variable return on equity on stock prices is 0.2% and the rest is influenced by other variables not included in the equation model.

Recommendations

Investors need to consider the value of the ratio of current ratio, debt ratio and return on equity in investing in real estate and property industry shares, even though these variables either simultaneously (jointly) or partially (themselves) have no effect on stock prices but these variables is a fundamental variable that is one measure of company performance.

In other studies in predicting share profits, the independent variables that can be expanded can be expanded. This will have an impact on the level of accuracy predicting the profits of the company's shares.

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