

## **The Effect of ROE, ROA and EPS toward Stock Prices in Companie sub Sektor Construction and Buildings Listed in Exchange Indonesia Effect (IDX)**

Agung Fajar Ilmiyono  
*Economics Faculty, Pakuan University*

---

**Abstract:** The construction and building sector has an important role in the country's economy because it affects most sectors of the country's economy and is an important contributor to the infrastructure development process which provides a physical foundation on which development efforts and improvement of living standards can be realized. One of them is by analyzing financial statements using ratios financial ratios as a measurement tool, such as Return On Equity (ROE), Return On Assets (ROA) and Earning Per Share that can be used as consideration for investment objectives. The purpose of this study is to analyze how much influence ROE, ROA, and EPS both partially and simultaneously on stock prices in the Construction and Building Sub Sector Companies listed on the Stock Exchange in the 2013-2017 period. The analytical method used is quantitative analysis is verification. Data were tested using Eviews 10 with panel data regression analysis test, classic assumption test, and hypothesis testing. Samples were selected using the purposive sampling method. The results showed that partially ROE and ROA variables had a significant effect on stock prices while other variables such as EPS had no significant effect. Simultaneous test results, namely ROE, ROA, and EPS together have a significant effect on stock prices.

**Keywords:** Return On Equity, Return On Assets, Earning Per Share, and Stock Prices

---

### **Preliminary**

The development of the business world is currently experiencing increasingly fierce competition. This condition causes companies to be demanded to increase their performance so that they can survive in the long run. To face intense competition, companies must improve themselves by applying modern management and competitive strategies.

At present, the increasing number of population in Indonesia has an impact on growth development in Indonesia is increasing. One sector that can support future economic growth comes from the construction and building sectors. The reason, infrastructure development will continue until the end of 2017. ([www.beritamometer.com](http://www.beritamometer.com)). From the article that the researcher quoted from [beritamometer.com](http://beritamometer.com), the researcher can conclude that infrastructure development that will last until the end of 2017 can affect the existence of construction service companies in Indonesia which have also increased with the increase in construction of buildings, factories, public facilities and so on.

The increased growth of the construction and building sector can support the growth and development of a variety of goods and service industries needed to carry out construction work. The construction and building sector has an important role in the country's economy because it affects most sectors of the country's economy and is an important contributor to the infrastructure development process that provides a physical foundation on which development efforts and improvement of living standards can be realized. ([www.economy.okezone.com](http://www.economy.okezone.com)).

The increase in stock performance was driven by investor optimism that Jokowi's opinion would encourage infrastructure development during his administration. The programs are believed to bring up many projects thereby increasing the demand for building material products. This is based on his experience as the Governor of the capital which focuses on working on infrastructure projects ( [www.katadata.co.id](http://www.katadata.co.id) ). From the article that researchers quoted from [katadata.co.id](http://katadata.co.id), it can be concluded that a government program that is accelerating in infrastructure development can lead to many projects that will cause the company's stock price to rise. Because predictions of falling or rising stock prices due to the influence of government policy in accelerating the improvement of state infrastructure.

Before investing, investors need to know and choose which stocks can provide optimal profits for the funds invested. The stock price is relatively stable and has a pattern of movement that tends to rise reflecting that the company has good business performance and profitable to invest in it. Then it is necessary to analyze and select stocks, for that investors need relevant and adequate information through the company's financial statements as a material of consideration and assessment of the company's performance to avoid the possibility of impact or its relationship with stock prices.

According to Fahmi Irham (2013; 55), the stock market is a place where various parties, especially companies selling shares (*stocks*) and bonds (*bond*) with the purpose of the sale proceeds will be used as additional funds or capital to strengthen the Vendor. In this capital market, individual actors, business entities that have excess funds (*surplus funds*) make investments in the form of securities, offered by companies that sell their shares on the capital market. The Indonesia Stock Exchange (IDX) is a capital market located in Indonesia, which is a party that organizes and provides systems or facilities to bring together economic actors and conduct transactions such as selling or buying various long-term financial instruments that can be traded.

Before investing, investors in making decisions to sell or buy shares of course must consider the risks that will be accepted in the future. So they can find out and choose which stocks can provide optimal benefits for the funds invested. The stock price is relatively stable and has a pattern of movement that tends to rise reflecting that the company has good business performance and profitable to invest in it. Then it is necessary to analyze and select stocks, for that investors need relevant and adequate information through the company's financial statements as a material of consideration and assessment of the company's performance to avoid the possibility of impact or its relationship with stock prices.

According to Irham Fahmi (2013; 36), Shares are proof of ownership of capital / funds in a company. This definition of shares means securities issued by a company (issuer). Thus if an investor buys shares, then he or she becomes the owner or shareholder of the company. If the company experiences profits, shareholders will usually get a portion of the profits called dividends. Stocks can also be sold to other parties, both at higher prices whose price difference is called capital gain or lower than we buy it at a price difference called *capital loss*. So, there are two benefits to be gained from shares, namely dividends and *capital gains*.

Share price is the price of a stock that occurs in the stock market at a certain time determined by market participants and is determined by the demand and supply of the relevant stock in the capital market. According to Albab (2015: 1), if the number of requests for shares is greater than the supply, the share price will rise, conversely if the supply is greater than the demand, the share price will fall. Therefore, when an investor makes an investment in shares, then the investor needs information as a material for consideration and assessment of the company's performance and possible impact or its relationship with the stock price. In conducting and selecting shares according to Desmond Wira (2014: 3), there are two analyzes that are often used, namely technical analysis (*technical analysis*) and fundamental analysis (*fundamental analysis*). Technical analysis (*technical analysis*) is a technique that analyzes fluctuations in stock prices within a certain time frame. Whereas *fundamental analysis* is a consideration of various factors, such as company performance, business competition analysis, industry analysis, economic analysis and macro-micro markets. Fundamental analysis focuses on key data in financial statements to calculate whether the stock price has been accurately appreciated. This analysis covers liquidity, leverage, activity, profitability, growth and market value ratios.

Financial ratios can be used as a material consideration in determining stock prices. To find out the factors that influence stock price movements, researchers use ratios as a consideration in determining stock prices. One of the ratios used is the profitability ratio, because this ratio can be used as earnings information for investors to find out the condition of the company.

The ultimate goal in the company is to obtain maximum profits. Therefore, management of a company in practice is demanded to be able to meet the targets set. To measure the level of profit or profit in a company used profit ratio or profitability. The definition of profitability ratios according to Irham Fahmi (2015: 83) is a ratio that measures the overall effectiveness of management as indicated by the size of the profits that have been obtained in relation to sales and investment.

According to Kasmir (2017: 196) profitability ratio is a ratio to assess the ability of a company to look for profit. This ratio can also provide a measure of the level of management effectiveness in the company. That is shown by the profit generated from a sale and investment income. Therefore potential investors will analyze carefully in the smooth running of a company and its ability to make a profit (Hery, 2017: 226)

This study shows the magnitude of the effect of profitability ratios and market value on stock prices. Therefore, the authors combine several profitability ratios and market value to see how much influence on stocks. Profitability ratios are represented by ROE, ROA, while market value is represented by EPS.

## **Theory**

### **Return on Equity**

ROE (Return On Equity) is the ratio that indicates the ability of the company to generate profit net with the use of capital own and generate profit that is available to owners or investors. (Kashmir 2016: 204).

ROE Return On Equity comparing income net after tax in equity that invested holders of shares of companies (Kashmir 2016: 204). The ratio is shown the power to generate profits on investment based on the value of the book of the holders of shares, and often times used in comparing two or more companies on

opportunities to invest were good and the management fees are effective. Based on Kashmir (2016: 204) the formula of ROE (Return On Equity) is as follows

$$ROE = \frac{\text{Net Income}}{\text{Total of Equity}}$$

According to Van Horne and Wachowicz (2015: 225), is " the ratio that indicates the ability of the company to generate profit net with the use of capital own and generate profit that is available to owners or investors ".

### **Return On Asset**

ROA (Return on Assets) often called the rate of Return of Assets is the ratio of profitability that shows the percentage of profit (profit net) were obtained by the company in respect of the whole source power or the average amount of assets. In other words, Return on Assets or often abbreviated as ROA is a ratio that measures how efficient a company is in managing its assets to generate profits during a period. ROA is expressed as a percentage (%) (Cashmere 2016: 202). Return On Assets can be formulated as :

$$ROA = \frac{\text{Net Income After Tax}}{\text{Total Asset}}$$

As mentioned earlier, this Return on Assets Ratio is useful for measuring how efficient a company is in being able to convert the money used to buy assets into net income.

### **Market value**

The market value ratio is a ratio that measures market prices relative to book value. The angle of view ratio is more much based on the angle of the investor (or prospective investors), although the management is also concerned about the ratios of this "( Mamduh and Halim, 2016: 82). " The market value ratio is a ratio that describes conditions that occur in the market. The ratio is able to give an understanding for the management of the company on the condition of the application that will be carried out and their impact in the future will come "(Fahmi, 2014: 83).

Thus, can be concluded that the ratio of the value of the market is a ratio that measures the price of the market to the value of the book company. The ratio of these provide information to the management regarding to investor suggestion towards the achievement of the company when this nor in the future will come.

### **Earning per share (EPS)**

Earnings per sheet of shares ordinary (EPS) is a ratio to measure the success of management in achieving profits for holders of shares. EPS were lower mean management has not managed to satisfy the holders of shares, contrary to the EPS that high welfare holders of shares increased (Kashmir, 2016: 207).

EPS (Earning Per Share) as one of the ratios that regular use in the prospectus, material presentation, and report yearly to the holders of shares which is profit net reduced dividend (profit available to holders of shares ordinary) divided by the average weighted of shares ordinary that circulate will generate earnings per share. So Earning Per Share (EPS) is the amount of income that is earned in the period for each sheet stock are outstanding. The most commonly used measuring instrument is Earning Per Share, (Irham Fahmi, 2017).

Figures are shown of EPS is this that often posted on the performance of companies that sell shares to the public area (go public) because investors and prospective investors are of the view that the EPS contains information that is important to do the predictions regarding the amount of dividend per share and the level of prices on the stock later today, as well as EPS is also relevant to assessing the effectiveness of management and dividend payment policies.

According Tandelilin (2016: 373), " Earnings Per Share is profit net after interest and taxes were prepared in the share to the holders of shares in for the number of sheet stock companies ". According to Brigham (2014: 107), " income net per share is the amount of income that is earned in sati period for each sheet stock are outstanding, and will be used by the leadership of the company to decide dividend that will be distributed ".

Earnings per sheet stock can be used by the leadership of the company to determine the dividend that will be distributed. The information is also useful for investors ntuk know the development of the company in addition it also can be used to measure the rate of profit a company lab per sheet stock. According to (Tandelilin, 2016) Earning Per Share (EPS) can be searched by the formula as follow :

$$EPS = \frac{\text{Net Income After Tax}}{\text{Number of Shares Outstanding}}$$

### **Stock Price**

Hery (2017; 178) stated that the price of a stock is strongly influenced by the law of demand and supply. The price of the stock tends to rise when a stock experiencing excess demand and tends to fall if the case of excess offer ". The price of the stock is the value of current or present value of the stream of cash that is expected to be accepted. Stock price on the capital market is determined by the strength of demand (demand) and offer (supply). Increasingly many investors who bought the stock, the more high- priced stocks such. The price of shares in the trade and investment is the price that refers to the price of the stock the latest in trading stock. Indicators of price shares illustrates many things about the things that were happening at the moment is in between buyer and seller . Stock price indicators not only describe market prices, but also describe parties who are in control of the capital market.

According Irham Fahmi (2017; 100), " the price of the stock is the money that is issued to obtain proof of participation or ownership of a company ". Sartono (2015: 141), defines " the price of the stock is at a value now or the present value of a stream of cash expected to be received ".It can be concluded that the stock price is the present value which is expected to be accepted and determined by supply and demand .

### **Hypothesis**

#### **Effect of Return On Equity (ROE) Against Price Shares**

Return on equity (ROE) is a measure the ability of the company ( issuer ) in a yield advantage by using capital alone. This ratio is obtained by dividing net income after tax by equity ( Kasmir , 2016: 204).

According Nurhasanah (2014: 27), if the ROE is getting high, then a company has the opportunity to provide income that is great for the holders of shares. If the company can generate profit that is higher, then the demand will share will increase and subsequently will have an impact on the increase in the price of the stock company.

Ani Rahmawati (2017), the results of the study showed that ROE affect significantly to the price of the stock . Similarly, also on the research that in doing DindaAlfianti A and Vita Ariesta (2017), which indicates that ROE affect significantly on Price shares.

#### **Influence Return On Asset (ROA) Against Price Shares**

ManurutKasmir (2017, 197), " is getting smaller ( lower ) ratio is even less well , as well as vice versa, meaning that the ratio is used to measure the effectiveness of the overall operation of the company ".Company's profit is one of the factors that influences the company's stock price .Hery (2017.161) assess the factors internal influence the price of the stock of which is the condition of the financial, earnings and dividend issuers. This argument is supported by Alwi (2014,87) where one of the internal factors affecting stock prices is the announcement of financial statements, such as forecasting earnings before the beginning of the year and the end of the fiscal year . Earnings per Share (EPS), Dividends Per Share (DPS), Price EarningRatio (PER), Net Profit Margin (NPM), Return on Assets (ROA).

Lower result returns on assets still means getting lower as well the number of profit net that is generated from every rupiah of funds that are embedded in total assets. It is going to reduce the interest of investors to infuse capital in the company because the company deemed not able to use it effectively the assets are owned in generating profits. Conversely, higherreturn on assets means getting high also the amount of profit that is clean that is generated from every rupiah of funds that are embedded in total assets. It 's going to attract the interest of investors to infuse capital in the company, because the company is considered can use the total assets to get profit effectively. According to Watung (2016) and Sumaryanti(2017) ROA has a significant effect on stock prices.

#### **Influence Earning Per Share (EPS) Against Price Shares**

The ratio is showing profit net which acquired the company for each sheet stock during the period specified which will be distributed to all holders of shares. The increase or decrease in EPS from year to year the company holder of the shares.There are several effects of profitability on stock prices according to Hery (201, 177) as follows.

Earning Pershare Share (EPS) is a ratio to measure the success of management in achieving profits for holders of shares. The ratio that low means the management has not managed to satisfy the holders of shares, contrary to the ratio of the height, welfare holder of shares increase. Then it can be concluded that the level of Earning Per Share (EPS) of the company high , will increasingly many investors who want to buy shares of the

thus causing the price of the stock will be high, so also conversely if the EPS companies lower the price of shares of companies that will be low. According to Darmadji and Fakhrudin (2015, 195), the higher EPS value, of course, led to greater profits, resulting in an increase in stock market prices because demand and supply increased.

It can be concluded that the effect of profitability on stock prices according to the author is an important component to measure how much profit is achieved by the company's shareholders. If the ratio is lower then it means the company does not succeed to manage of shares and if the ratio is higher then the company will get the advantage that a more substantial to each holder of shares. RatihApriyanti (2015) states that Earning Per Share (EPS) had a significant effect on stock prices. According to KinantiVirginiawatiDewi (2017), EPS (Earning Per Share) has a significant effect on the LQ-45 Company's stock price on the Indonesia Stock Exchange for the 2012-2016 period.

### **Effect of Return On Equity (ROE), return on assets (ROA) and Earning Per Share (EPS) Against Price Shares**

According Irham Fahmi (2016, 201) suggests more high- value return on equity, return on assets and earning per share would only cause more large profits that resulted in the price of market shares rise because of demand and offer increased. More and better Return On Equity, Return on Assets and Earnings Per Share it getting better illustrate the ability of the high acquisition profit companies.

From some opinions according to experts above, the effect of profitability on stock prices according to the author is an important component to measure how much profit is achieved by the company's shareholders. If the ratio is lower then the company does not succeed Me- management of shares and if the ratio is higher then the company will get the advantage that a more substantial to each holder of shares.

Rio Febriono (2016) the results of his research show that Return On Equity, Return On Assets and Earning Per Share have a significant effect on stock prices. According to ResiOktaviani (2015) the results of the research showed that the Return On Equity, Return Asset and Earning Per Share is shared equally experienced effect of significantly Against Price Shares.

Profitability and Growth shows how the company's performance in generating profits. If the performance of the financial companies in generating income increases then the case is going to be a power attractiveness for investors and prospective investors to infuse capital in the companies mentioned. In the form of ratios finance these investors can measure and provide assessment of the performance of financial companies are issuing shares it. If the ratios finance the good then the performance of financial companies are also good and will have an impact on the increase in the price of shares of companies that will be accepted by the holders of shares. The level of health finance is a means of measuring that is used by the users of reports financial in measuring the performance of a company.

So from the description above the author in concluding that the temporary hypothesis of the study is as follows :

H1: Return on Equity (ROE) has a significant effect on stock prices.

H2: Return on Assets (ROA) has a significant effect on stock prices.

H3: Earning Per Share (EPS) has a significant effect on stock prices.

H4: Return on Equity (ROE), return on assets (ROA) and Earning Per Share (EPS) is simultaneously influence significantly to Price Shares.

## **Methodology**

### **Research type**

Type of research this is the verification by the method of research explanatory survey which aimed to test the hypothesis for the research that the relationship is more than two variables, namely in the form of the relationship because as a result. The research is aimed to test the hypothesis that explains between variables and variable in gain based on facts and is intended to determine how the influence of variables free of the variables bound her and how the relationship was going on. Type of data in use in research this is the nature of data quantitatively with methods of documentary / documentation that the form of reports of financial companies sub- sector Construction And Building which is listed on the Stock Exchange.

### **Objects, Analysis Units, and Research Locations**

The object of research in the study of this, there are 3 ( three ) variables independent / variable -free (X) which includes the Return on Equity (ROE), Return On Asset ( ROA ), and Earning Per Share (EPS), while variable dependent / variable bound ( Y) in this study is the stock price. To obtain the data and information that is in need then the writer doing research on variables such the company Sub Sector Construction that is listed on the Stock Exchange the period 2013-2017.

The unit of analysis are used in research this is the organization , namely the company Sector Construction that is listed on the Stock Exchange the period 2013-2017.

The location of research is where the variables study analyzed or the place where the unit of analysis is that the company Sub- Sector Sector Construction that is listed on the Stock Exchange Indonesia (BEI).

Table 1. Variable Operationalisation

Variable	Indicator	Size	Scale
ROE (X1)	<ul style="list-style-type: none"> <li>•Net income</li> <li>•Equity</li> </ul>	$\frac{Net\ Income}{Total\ ekuitas}$	Ratio
ROA (X2)	<ul style="list-style-type: none"> <li>•Net income</li> <li>•Assets</li> </ul>	$\frac{Net\ Income}{Total\ Asset}$	Ratio
EPS (X3)	<ul style="list-style-type: none"> <li>•Net profit</li> <li>•Number of shares outstanding</li> </ul>	$\frac{Net\ Income}{Number\ of\ Shares}$	Ratio
Stock Price (Y)	Performance of stock price movements	stock price at the end of the year period ( <i>closing price</i> )	Ratio

### Sampling Method

The sampling technique used in research this is the technique of purposive sampling with criteria taking samples :

1. Company Sub Sector Construction and Building are already listed on the Stock Exchange Indonesia (BEI) during the period of investigation , namely the year 2013 to 2017.
2. Company Sub Sector Construction and Building that publish reports of financial and supply the data finance the full of reports finances during the period 2013-2017 that has been audited.
3. Company Sub Sector Construction and Building which has data complete were required in the research period of the study period 2013-2017.

Here is a list of companies that will be used as research samples :

No	Code	Company's name
1	ACST	AcsetIndonusaTbk
2	ADHI	Adhi Karya (Persero) Tbk
3	DGIK	Nusa KonstruksiEnjiniringTbk
4	NRCA	Nusa Raya CiptaTbk
5	PTPP	Pembangunan PerumahanTbk
6	SSIA	Surya SemestaInternusaTbk
7	TOTL	TotalindoEkaPersadaTbk
8	WIKA	Wijaya Karya (Persero) Tbk
9	WSKT	WaskitaKarya (Persero) Tbk

(Source: Secondary data , processed by the author , 2018)

### Data Analysis Method

The method of analysis that is used is using the technique of analysis of quantitative form of testing hypotheses by testing the test statistic , to see there is least influence positively the variables independently is Return On Equity (ROE), return on assets ( ROA ), and Eraning Per Share (EPS) of the variable dependent that is Stock Prices .

In a study of this, the analysis of quantitative do with how to quantify the data of research that generates information that is needed in the analysis. Authors processing of data by using software E-views 10 to determine the effect of Return On Equity (ROE), return on assets (ROA ), and Eraning Per Share (EPS) to the price of shares in the sub- sector contruction and Building the period 2013-2017.

The data analysis technique used in this study is inferential statistics which is about testing hypotheses. Type statistics inferential that use is statistical parametric, research is used to test the parameters of the population through statistics, or to test the size of the population through the data samples to analyze the data ratio . The data has been collected on all the variables of research later processed or analyzed by analysis regression panel data. Then some classic assumption test is performed.

## **Result and Discussion**

### **Effect of Return On Equity (ROE) Against Price Shares**

Based on the t-statistic is Return On Equity of -2,920879 with a negative regression coefficient of -84,34615 and a probability value of 0.0063. the value of the probability of the t test ( $0.0063 < 0.05$ ) case that shows that the return on equity (ROE) influence significantly to price shares in the Company Sub Sector Construction and Building are Listed on the Stock Exchange Indonesia (BEI) Period 2013-2017. So it can be concluded that H1 was accepted.

Based on the results of the study were conducted in a partial that Return On Equity impact significantly on the price of shares in companies sub- sector of construction and buildings are listed on the exchange effect of Indonesia period 2013-2017. This is consistent with the research hypothesis which states that Return On Equity has a Significant effect on stock prices so the hypothesis is accepted.

Results of the study is consistent with the theory that there are proposed by According Mardiyanto (2009: 196) in Rio Febriono (2016) ROE is the ratio that is used to measure the success of the company in generating profit or loss of the holders of shares. ROE is considered as a representation of wealth holders of shares or the value of the company. according Syamsudin (2009: 64) Return On Equity is a measurement of earnings (income) that is available for the owners of the company (both holders of shares ordinary and holders of shares of preferred ) on the capital they invested in the company .

ROE Return On Equity comparing income net after tax in equity that invested holders of shares of companies (Kashmir 2016: 204). The ratio is shown the power to generate profits on investment based on the value of the book of the holders of shares, and often times used in comparing two or more companies on opportunities to invest were good and the management fees are effective .According to (Kashmir 2016: 204), ROE measures how efficiently a company uses the money from the holder of the stock to generate a profit and grow the company.

The results of the study is consistent with studies previously were performed by Rati Apriyanti (2015) money stating that ROE affect significantly to stock price, and in accordance with Rio Febriono (2016) which states that the Return On Equity effect significantly to stock price, Gito Mustafa ( 2016) also states in his research that Return On Equity has a significant effect on stock prices as well as research and Muhammad Reza Handyansyah1 & Dina Lestari (2016) in his research which shows that Return On Equity (ROE) has a significant effect on stock prices , but is not in accordance with the results of the study Buchari (2015) which states that the return on equity is not an effect against price stock. It can be concluded that the results of the research states that the Return On Equity impact significantly on the price of the stock .

### **Influence Return On Asset ( ROA ) Against Price Shares**

Based on the t-statistic that is at 2.880335 estimate of variable ROA with a value of coefficient regression positive at 169.6960 and the value of the probability of 0.0069 the value of the probability of the t test ( $0.0069 < 0.05$ ) case that shows that the return on equity (ROE) effect significant price shares in the Company Sub Sector Construction and Building which is listed on the Stock Exchange Indonesia (BEI) in the period 2013-2017 . So it can be concluded that H2 is accepted.

Based on the results of the study are partially Return On Asset influence significantly to the price of shares in companies sub- sector of construction and buildings are listed on the exchange effect of Indonesia (BEI) in the period from 2013 to 2017, meaning that if the value of ROE increased or decreased so will affect the increase and decrease in the price of the stock . This is consistent with the research hypothesis which states that a significant effect on stock prices then the hypothesis is accepted.

Results of the study is in accordance with the theory according to (Stoner and Sirait , 1994) in Darnita (2013) states that high return on assets of a company , the more big also the level of profit that is achieved by the company ". And According to Dendawijaya (2013: 120) in Vita Ariesta's research (2017). " Return On Asset demonstrated the ability of companies to use the entire assets are held to generate profits after tax. This ratio evaluates the effectiveness and efficiency of company management in managing all company assets. Higher value of ROA, means company can use their asset efficiently and vice versa .

The results of the study is similar to the results of research previously were done by Alipudin and Oktaviani (2015) which states that the Return On Asset effect significantly to the price of the stock, Husaini (2013), Santy (2017), and Ali (2014) also stated that the Return On Asset influence significantly to stock price.

### **Influence Earning Per Share (EPS) Against Price Shares**

The results of the estimation of variables Earning Per Share (EPS) t- statistic 1.220916 namely amounting to the value of coefficient regression positive amounting to 1.830781 and the value of the probability of 0.2308 the value of the probability of the t test ( $0.2308 > 0.05$ ) case that indicates that the Earning Per Share (EPS) influential negative and not significantly to price shares in companies sub- sector of construction and

buildings are listed on the exchange effect of Indonesia (BEI) in the period 2013-2017. So it can be concluded that H3 is rejected.

Based on the results of the study are partially Earning Per Share (EPS) does not influence significantly to the price of shares in companies sub- sector of construction and buildings are listed on the exchange effect of Indonesia (BEI) in the period from 2013 to 2017, meaning that if the value of Earning Per Share (EPS) increased or decreased then it does not affect the increase or decrease in stock prices . This is not in accordance with the research hypothesis which states that Earning Per Share (EPS) has a significant effect on stock prices or the hypothesis is rejected .

Results of the study is not consistent with the theory that put forward by ( FaraDharmastuti , 2004) in the study (Reza; 2016) If Earnings per Share (EPS) of the company is high, will be getting a lot of investors who want to buy shares of the thus causing the price of the stock will be high . As well as According to Kashmir (2012, 207) EPS is a ratio to measure the success of management in achieving profits for holders of shares .

Not influential Earning Per Share this means that investors do not see the earning per share as the decision to buy shares , according to the research that is carried out by Cholidia (2017) that investors tend not to use the analysis of the fundamentals in making decisions but investors using a group reference , experiences and speculation in investing shows that factors psychology of investors took a role which is quite important in the decision -making investment .

Results of the study is consistent with research that is conducted by Novasari (2013) which states that the Earning Per Share no effect on the price of the stock , the results of research Anita and Pavira (2014) also stated Earning Per Share no effect on the price of shares and Pande&Nyoman were declared that Earning Per Share has no significant effect on stock prices .

It can concluded that the results of research is not in accordance with the hypothesis 3 which states that the Earning Per Share (EPS) impact significantly on the price of the stock .

### **Effect of Return On Equity (ROE), return on assets ( ROA ), and Earning Per Share (EPS) Against Price Shares**

The results of the estimation of variables Return On Equity ( ROE), return on assets (ROA) and Earning Per Share (EPS) with the value of the probability of 0.000000 value probability F test ( $0.000000 < 0.05$ ) case that shows that Return On Equity ( ROE), return on assets (ROA) and Earning Per Share (EPS) is simultaneously striving to stock price in companies sub- sector of construction and buildings are listed on the exchange effect of Indonesia (BEI) in the period 2013-2017. So it can be concluded that H4 is accepted

Based on the results of the study are simultaneous , that Return On Equity (ROE), return on assets (ROA) and Earning Per Share (EPS) are together an alias significantly to the price of shares in companies sub- sector of construction and buildings are listed on the Stock Exchange Indonesia ( BEI) 2013-2017 period . The test results are simultaneously it has been aligned and supported by theory and journals which have been described. The results of research is in accordance with the hypothesis of the study which stated that the Return On Equity (ROE), return on assets (ROA) and Earning Per Share (EPS) are jointly affect significantly to the price of the stock or hypothesis 4 is accepted.

The results of this study are consistent with research from Cholidia (2017), Novasari (2013), Anita and Pavira (2014), Dorothea Ratih (2014), Astri and Iin (2013) Asep and receipt (2017), Angantyo and Adi (2013), Ani Rahmawati (2016), Ahmad Husaini (2012), Rio Febriono (2016) and Pande and Nyoman (2018) the results of the study showed Return on Equity (ROE), return on assets (ROA) and Earning Per Share (EPS) are jointly - same significant effect on stock prices .

### **Conclusions**

Based on the discussion in the chapter previously on " The Effect of Return on Equity , Return on Assets and Earnings Per Share in Company Sub Sector Construction and Building Its Listed on the Stock Exchange Indonesia (BEI) Period 2013-2017. Then the researchers obtained the conclusion as follows :

1. The results of the analysis using analysis of regression obtained that are partially variable Return On Equity (ROE) influence significantly to the price of shares in companies sub- sector of construction and buildings are listed on the exchange effect of Indonesia (BEI) in the period 2013-2017. It is shown by the results of the t- count of -2.920879, the value of coefficient negative with the value of the probability of 0.0063 ( $0.0063 < 0.05$ ), meaning that if the value of Return On Equity (ROE) increases or decreases the influence an increase or decrease in the price of the stock , so it can concluded that the results of the research is in accordance with the hypothesis 1, which states that the return on equity (ROE) influence on the price of shares or H 1 is accepted.
2. The results of the analysis using analysis of regression obtained that are partially variable Return On Asset (ROA) affects significantly to the price of shares in companies sub- sector of construction and buildings are

listed on the exchange effect of Indonesia (BEI) in the period 2013-2017. It is shown by the results of the t arithmetic amounted to 2.880335, the value of coefficient positively with the value of the probability of 0.0069 ( $0.0069 < 0.05$ ) means that if the value of Return on Assets (ROA) increasing or decreasing influence an increase or decrease in the price of the stock, so it can be concluded that the results of the research is in accordance with the hypothesis 2 which states that the Return on Assets (ROA) influence on the price of shares or H 2 is received.

3. The results of the analysis using analysis of regression obtained that are partially variable Return On Asset (ROA) does not influence significantly to the price of shares in companies sub- sector of construction and buildings are listed on the exchange effect of Indonesia (BEI) in the period 2013-2017. It is shown by the results of the t arithmetic amounted to 1.220916, the value of coefficient positively with the value of the probability of 0.2308 ( $0.2308 > 0.05$ ) means that if the value Earning per Share (EPS) increased or decreased so did not affect the increase or decrease in the price of the stock, so it can be concluded that the results of this study are not in accordance with hypothesis 3 which states that Earning per Share (EPS) has no effect on stock prices or H 3 is rejected.
4. The results of the analysis using analysis of regression obtained by simultaneous shows bring variable Return On Equity (ROE), return on assets (ROA) and Earning Per Share (EPS) are jointly affect significantly to the price of shares in companies sub- sector of construction and buildings are registered in Indonesia Stock Exchange (IDX) for the period 2013-2017. This is indicated by the level of significance of the F test results of 0.000000 ( $0.000000 < 0.05$ ). This means that the Return On Equity (ROE), return on assets (ROA) and Earning Per Share (EPS) provides support for the robust against changes in the price of the stock, so it can be concluded that the results of the research is appropriate and consistent with the hypothesis 4 which states that the Return On Equity (ROE), return on assets (ROA) and Earning Per Share (EPS) are jointly (simultaneously) influence significantly to the price of the stock.

### **Suggestions**

Based on the results of the discussion about the influence of Return On Equity (ROE), return on assets (ROA) and Earning Per Share (EPS) to the price of shares on the nine (9) companies sub- sector of construction and buildings are listed on the Stock Exchange Indonesia (BEI) in the period 2013 -2017, the suggestions that can be put forward by researchers are as follows :

#### **1. For companies**

It is recommended to further improve the profitability of the company because by increasing the profitability of the company it will also increase Earning Per Share (EPS), if Earning Per Share (EPS) increases it will attract a lot of investor attention to invest capital in the company so that the share price will also increase

#### **2. For Investors and Prospective Investors**

For investors and prospective investors in order to use the Earning Per Share (EPS) in the alternative to carry out the investments, because Earning Per Share (EPS) is very important for company's life, the more high- Earning Per Share (EPS) then the interests of investors infuse capital is also getting higher and the price of the stock was going to come to skyrocket.

#### **3. For Further Researchers**

For further researchers, it is better to be able to examine using other variables such as Net Profit Margin (NPM), Gros Profit Margin (GPM) and Price Earning Ratio (PER) and others. And samples of the study were used plus years of study (10-15 years) and expanded to various sectors that differ by the amount of data that is much like the sub- sectors of cement, construction, property and real estate, cigarettes and others in order to provide results that more fine.

### **Reference**

- [1]. Alipudin, A., & Oktaviani, R. (2016). Effects of EPS, ROE, ROA and DER on Share Prices in Cement Sub Sector Companies Listed on the IDX. *JIAFE (Journal of Imilah Accounting Faculty of Economics)*.
- [2]. Avriano, Irvin. (2018). *July 2018 Car Sales are the highest of all time*. CNBC Indonesia. Available at: <http://www.cnbcindonesia.com/news/201808192922-4-29179/sales-mobil-july-2018-tertinggi-masa> [August 2018]
- [3]. Consumption Listed on the Indonesia Stock Exchange in 2012-2015). *Journal of the Indonesian Computer University*.

- [4]. Cashmere. (2014). *Financial Statement Analysis* . Jakarta: PT. Raja GrafindoPersada. <https://doi.org/10.1596/978-0-8213-8439-8>
- [5]. Martani, Dwi, Sylvia Veronika, Ratna Wardhani, Aria Farahmita, Edward Tanujaya. 2012. *Intermediate Financial Accounting Based on PSAK*. Jakarta: Salemba Empat
- [6]. Muliadi, H., & Fahmi, I. (2017). The effect of *dividends per share, return on equity* , and *net profit margins* on share prices of manufacturing companies on the Indonesian stock exchange. *Jim-Ekm. First. Yogyakarta: BPFE Yogyakarta*.
- [7]. Octavianty, Ellyn. and Aprilia, Fridayana. (2014). The Influence of *Earning Per Share (EPS), Book Value Per Share (BVS), Return On Equity (ROE), and Debt To Equity Ratio (DER)* Against the Stock Price of Bunn Companies Listed on IDX. *Journal of Management and Accounting Scientific Journal (JIMAFE) 2014 Second Semester Volume*.
- [8]. Siregar, S., & Siregar, S. (2012). Descriptive statistics for research: completed with manual calculations and SPSS application version 17 / Syofian Siregar. 1. DESCRIPTIVE STATISTICS, Descriptive Statistics for Research: Equipped with Manual Calculation and SPSS Application Version 17 / Syofian Siregar. <https://doi.org/10.2307/1556407>
- [9]. Sunyoto, Danang. (2013). *Economic Data Analysis Using SPSS* , Prints 1. Jakarta: PT Index.
- [10]. Tandelilin, Eduardus. (2010). *Portfolios and Investments - Theory and Application* . Yogyakarta: Canisius.
- [11]. General, M. Khaerul and Sutanto, H. (2017). *Investment Management*. Jakarta, Indonesia: CV Pustaka Setia.
- [12]. Wira, Desmond. (2014). *Stock Fundamental Analysis* . Jakarta: Gramedia.
- [13]. Wulandari, D. (2017). Effect of Profitability on Stock Prices in automotive and Sector Sub Sector companies listed on the Indonesia Stock Exchange in 2011-2015. *Pakuan University Thesis*.
- [14]. Zulfikar (2016). *Introduction to the Capital Market with a statistical approach* . Yogyakarta; Deepublish.

**Appendix I. Results of Statistical Descriptive Analysis**

	Stock Price	ROE	ROA	EPS
The mean	1542,822	13.24956	4.469778	107.7467
Median	1341,000	15.08000	4.130000	94.00000
Maximum	3810,000	28.59000	15.06000	309,5300
Minimum	55.00000	-50.99000	-24.88000	-69.81000
Std. Dev	1145,264	12.24333	5.551975	79.29350
Observations	45	45	45	45

(source : data processed using Eviews 10, 2019)

**Appendix II. Chow Test Results**

Redundant Fixed Effects Tests				
Equation: FIXED				
Test cross-section fixed effects				
Effects Test		Statistics	df	Prob.
Cross-section F		7.099553	(8.33)	0.0000
Chi-square cross-section		45.046690	8	0.0000

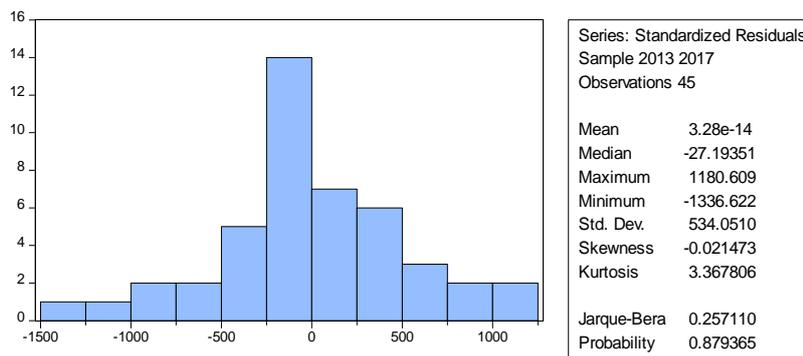
( source : data processed using Eviews 10, 2019)

**Appendix III . Hausman Test Results**

Correlated Random Effects - Hausman Test				
Equation: RANDOM				
Random effects cross-section test				
Summary Test		Chi-Sq. Statistics	Chi-Sq. df	Prob.
Random cross section		18.093047	3	0.0004

( source : data processed using Eviews 10, 2019)

**Appendix IV. Normality Test Results**



(source: data processed by the author using Eviews 10, 2018)

**Appendix V. Multicollinearity Test Results**

	ROE	ROA	EPS
ROE	1.000000	0.8187690	0.462783
ROA	0.818769	1.000000	0.381334
EPS	0.462783	0.381334	1.000000

(source: data processed by the author using Eviews 10, 2019)

**Appendix V I . Heterosledasticity Test Results**

Dependent Variable: ABS (RESID01)				
Method: Least Squares Panel				
Date: 03/19/19 Time: 03:15				
Sample: 2013 2017				
Periods included: 5				
Cross-sections included: 9				
Total panel (balanced) observations: 45				
Variable	Coefficient	Std. Error	t-Statistics	Prob.
ROE	24,53387	15.13996	1.620472	0.1146
ROA	-45,08015	33,27075	-1.354948	0.1846
EPS	0.490531	0.875432	0.560330	0.5790

C	203.2745	112,7881	1.802269	0.0806
	Effects Specification			
Fixed cross-section (dummy variables)				
R-squared	0.515400	Mean dependent var	379.6922	
Adjusted R-squared	0.353866	SD dependent var	371.1708	
SE of regression	298.3562	Akaike info criterion	14.45763	
Sum squared resid	2937541.	Schwarz criterion	14,93941	
Log likelihood	-313.2967	Hannan-Quinn criter .	14,63723	
F-statistics	3.190669	Durbin-Watson stat	2.739059	
Prob (F-statistic)	0.004798			

**L ampiran VIII. Results of Panel Data Regression Model Fixed effect**

Dependent Variable: Share Price				
Method: Least Squares Panel				
Date: 03/19/19 Time: 02:58				
Sample: 2013 2017				
Periods included: 5				
Cross-sections included: 9				
Total panel (balanced) observations: 45				
Variable	Coefficient	Std. Error	t-Statistics	Prob.
ROE	-84,34615	28.87697	-2.920879	0.0063
ROA	169.6960	58.91535	2.880335	0.0069
EPS	1.830781	1.499514	1.220916	0.2308
C	1704,607	181.5550	9,388,932	0.0000
	Effects Specification			
Fixed cross-section (dummy variables)				
	Weighted Statistics			
R-squared	0.910387	Mean dependent var	1800,833	
Adjusted R-squared	0.880516	SD dependent var	806.3014	
SE of regression	599.5028	Sum squared resid	11860320	
F-statistics	30,47731	Durbin-Watson stat	2.0494925	
Prob (F-statistic)	0.000000			

(source : data processed by the author using Eviews 10, 2019)