INFLUENCE OF MARKET RATIO, LIQUIDITY RATIO AND RATIO PROFITABILITY ON COMPANY STOCK PRICE PHARMACEUTICAL SUBSECTOR IN 2015-2020

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ABSTRACT

The stock price is the selling price of a stock formed on the basis of the demand and supply of the stock on the Indonesia Stock Exchange (IDX), and the stock is known to provide two types of income, namely dividends and increased capital gains. There are several ways to find out whether a stock price is good or not, one of them is by analyzing several ratios, for example, market ratios, liquidity ratios, and profitability ratios. There is a difference between facts and theory in the pharmaceutical sub-sector companies in 2015-2020. The purpose of this study was to determine the effect of market ratios, liquidity ratios, and profitability ratios on stock prices of pharmaceutical sub-sector companies in 2015-2020 simultaneously and partially. Data. The stock price as a variable (Y) and current ratio, return on equity, earnings per share, price earning ratio, and market-to-book value ratio (X). This research is quantitative research with data analysis methods in the form of descriptive analysis, classical assumption test, multiple linear regression analysis, and significant test. Based on the results of this study, partially current ratio and market-to-book value ratio affect stock prices. Meanwhile, return on equity, earnings per share, and price-earning ratio have no effect on stock prices. Meanwhile, simultaneously the current ratio, return on equity, earnings per share, price earning ratio and market-to-book value ratio has an effect on stock prices.

Keywords: Stock Price, Market Ratio, Liquidity Ratio, and Profitability Ratio

1.0 INTRODUCTION

Investment is an effort to invest capital or funds in the hope of being able to receive profits (returns) in the future. The investment itself can be done by individuals as well as business entities such as companies (Idris, 2021). Investors who invest in a company consider the company's performance and the company's obligation to generate profits. This is important because it can affect the demand for company shares. Stock is one of the most popular financial market instruments. Issuing shares is one of the company's choices when deciding to fund a company. On the other hand, stocks are an investment instrument that many investors choose because they are able to provide an attractive level of profit (IDX, 2018). All stock price movements of companies listed on the Indonesia Stock Exchange (IDX) are listed on the composite stock price index. The composite stock price index is an indicator that measures the price performance of all stocks listed on the main board and development board

of the Indonesia Stock Exchange (IDX, 2018).In 2015 the IHSG stock price decreased by -12.13%, then in 2016 the IHSG stock price increased by 15.32%, then in 2017 it increased by 19.99%, then in 2018 the JCI stock price decreased by 2.54% and experienced an increase again by 1.70% but decreased again in 2020 by 13.31%. Although the JCI in 2020 experienced a decline, this did not occur in the share price of the pharmaceutical sub-sector.CNN Indonesia (2020) The strengthening of the pharmaceutical sector was caused by the high demand for drugs and the need for medical devices amid the explosion in the Covid-19 death rate. In addition, stocks showing an increase include PT Kalbe Farma, PT Indofarma, and PT Kimia Farma. PT Indofarma's shares were in a position of Rp. 1,175. The shares doubled in early 2020. This was also felt by PT Kimia Farma, initially, its share price was at Rp. 675 per share to Rp. 1,356 per share. Meanwhile, PT Kalbe Farma's shares rose 21.5 percent to Rp 1,215 per share.

The stock price movements of the pharmaceutical sector in 2015-2020 tended to be volatile and stable until 2018. Meanwhile, in 2019 pharmaceutical stocks experienced a decline and increased again in 2020. In the first quarter of 2018 to 2019, a number of pharmaceutical issuers showed mixed performance. PT Kalbe Farma at the beginning of 2019 recorded a positive performance by recording net sales growing 6.9% year on year (YoY) to Rp 5.36 trillion. The profit that can be distributed to owners of the parent company also increased by 1% over the same period from the previous year to Rp 595 billion. However, it is different with PT Phapros, PT Kimia Farma, and PT Indofarma. PT Phapros' sales grew 26% to Rp 177 billion. Meanwhile, the profit that can be distributed to company owners decreased by 58.3% from Rp 12.4 billion in the first quarter of 2018 to Rp 5.08 billion. PT Kimia Farma (KAEF) recorded a decline in profit in the first three months of 2019. KAEF posted a profit attributable to owners of the parent company which fell quite 44.5% yoy to Rp 20.61 billion. However, KAEF managed to grow sales by 21.4% compared to the first quarter of 2018 to Rp 1.81 trillion. And PT Indofarma (INAF) recorded a net sales decline of 8.18% from IDR 148.94 billion in the first quarter of 2018 to IDR 136.26 billion in the first quarter of 2019. Meanwhile, INAF recorded a loss of IDR 21.77 billion compared to the first quarter. 2018 which also lost Rp 8.48 billion (Mahadi and Rahayu, 2019).

In this study, researchers will conduct a fundamental analysis of stock prices in pharmaceutical sub-sector companies in 2015-2020. By doing financial ratio analysis on financial statements. Sujarweni (2021) financial ratios are activities to analyze financial statements by comparing one account using other accounts contained in the financial statements. The purpose of financial ratio analysis is to determine the correlation between the accounts in the financial statements. The ratios that will be used in this study are liquidity ratios, profitability ratios, and market value ratios. The purpose of this study is to determine the partial and simultaneous relationship between stock prices and current ratio, return on equity, price earning ratio, earnings per share, and market-to-book value ratio.

2.0 LITERATURE REVIEW

Umam and Sutanto (2017) The word investment comes from English, namely Investment which has the basic word invest which means to plant. Investment is the activity of spending more money that is sacrificed to get (value) greater consumption in the future. The party who did investment activities is called the investors. Investors can be categorized into two parts.

The first is private investors and the second is institutional investors. Activity Investment is also divided into two types, real investment and real investment financial investment (financial investment). According to Sujarweni (2021), the capital market is a type of financial market that has a maturity of more than one year, generally, stocks and bonds traded in this market. IDX (2018) Shares can be interpreted as a sign of an individual or party capital participation (business actors) in a company or limited liability company. By entering this capital, the parties are entitled to obtain the company's income, claim the company's assets and attend the general meeting of shareholders (RUPS). In investing in stocks, investors should pay attention to the stock price of the company to be invested. According to Sulia (2017), the stock price is the share value that reflects the assets of the company that issued the shares. and fluctuations and fluctuations are mainly determined by the supply and demand of the stock market (secondary market).

In assessing the stock price of a company, the thing that can be done is to analyze the financial statements using the financial ratios in the financial statements. Sujarweni (2021) financial ratios are activities to analyze financial statements by comparing one account with other accounts contained in the financial statements. The original purpose of financial ratio analysis is to determine the correlation between the accounts in the financial statements. Meanwhile, according to Sukamulja (2019), the company's financial ratios can be divided into five categories, namely liquidity ratios, solvency ratios or long-term liquidity (solvability ratios), efficiency ratios, profitability ratios, and market value ratios.

According to Sukamulja (2019), the liquidity indicator reflects the company's ability to meet short-term obligations or the speed at which the company converts assets into cash. The current ratio calculates the company's ability to meet all short-term debt from its current assets. The higher this number, the smoother the company's financial position.

$$\text{Current ratio} = \frac{Current\ assets}{Current\ liabilities} \qquad (2.1)$$

According to Sukamulja (2019), the profitability ratio measures the company's ability to generate profits and measures the rate of return on investment. Return on equity measures the company's ability to generate net income from equity. This ratio is very important for shareholders because it determines the profit of the company's shares owned by them

$$\text{ROE} = \frac{Net\ Profit}{Total\ \text{equity}} \qquad (2.2)$$

According to Sukamulja (2019), the market value ratio is a comparison of the market value of the company seen by investors and the value of the companies listed in the annual financial statements. Price-earnings ratio describes the evaluation of the price-earnings ratio compared to earnings per share.

$$\text{Price earning ratio} = \frac{Price\ Share}{Earnings\ per\ share} \qquad (2.3)$$

According to Sukamulja (2019), the EPS ratio measures how much of a company's net profit is contained in one outstanding share.

$$\text{Earning per share} = \frac{Net\ Profit}{Outstanding\ share} \qquad (2.4)$$

According to Sukamulja (2019), the market-to-book value ratio / price-to-book value is an important ratio for calculating company value. This ratio is an assessment of the share price per share compared to the book value per share.

$$\text{Market to book ratio} = \frac{Price\ per\ share}{Value\ per\ share} \qquad (2.5)$$

The framework of thought is a provision that is accepted by the public if you want to solve an existing problem and must have research limitations (Nuraeni and Suryawardani. 2017). In this study, the researcher used stock prices as the dependent variable. According to Hidayat and Topowijono (2018). The share price is the selling price of shares formed based on the offer and demand for IDX shares. and stocks are known to provide two types of income, namely dividends and capital gains. As for the independent variables using several kinds of financial ratios. including market ratios. liquidity ratios and profitability ratios. The types of ratios used include the current ratio. return on equity. earnings per share. price-earnings ratio. and market-to-book value ratio.

Figure 2. 1. Conceptual Framework
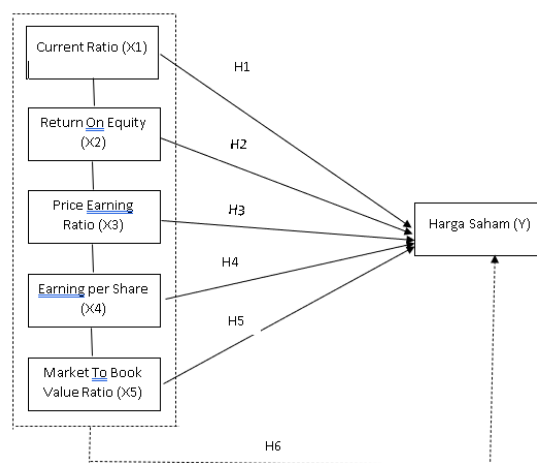
Based on the conceptual framework as shown in Figure 2.1. the hypothesis in this study was determined as follows.

H_1: Current ratio has an effect on stock prices.
H_2: Return on equity has an effect on stock prices.
H_3: Price earning ratio has an effect on stock prices.
H_4: Earning per share has an effect on stock prices.
H_5: Market to book value ratio affects stock prices
H_6: Current ratio, return on equity, earnings per share, price-earnings ratio, and the market-to-book ratio have an effect on stock prices.

3.0 METHOD AND RESULT

3.1 Method

a. Types of research

In this study, we will analyze the effect of the current ratio, return on equity, earnings per share, price-earning ratio, and market-to-book ratio on stock prices in pharmaceutical sub-sector companies in 2015-2020 using financial reports issued by companies in the pharmaceutical sub-sector. the company. The data contained in the financial statements will then be processed and calculated further in accordance with finding the relationship between the dependent variable and the independent variable. The research method that will be used is quantitative research. According to Hermawan (2019), Quantitative research is research that is inductive, objective, and scientific in which the data obtained are in the form of numbers (scores) or statements that are assessed and analyzed by statistical analysis. The research objective that will be used in this research is the descriptive verification method. Meanwhile, according to Hardani et al. (2020) Verificative research is research that aims to test the credibility of the phenomenon. The implementation time in this study uses the type of time series. According to Sekaran and Bougie (2016) research based on time series is research with a design that regularly collects data on the same variable, time series design allows researchers to assess the effectiveness of treatment over time.

b. Population and sample

The population in this study are pharmaceutical sub-sector companies that are listed on the Indonesia Stock Exchange (IDX). The total population in this study was 11 companies. With the sample criteria of companies that did not change their names before 2015 and companies that did listings after 2015 with a total of 8 samples. These companies include PT Darya Varia, PT Indofarma, PT Kimia Farma, PT Kalbe Farma, PT Merck, PT Pryidam Farma, PT Sidomuncul, and PT Temposcan.

c. Data analysis technique

i. Descriptive Analysis

According to Yusi and Idris (2020), descriptive analysis is the first step in discussing statistics which only deals with describing or providing information about a situation or phenomenon.

ii. Classic assumption test

According to Priyatno (2018), a linear regression model can be called a good model if the model fulfills several assumptions which are called the classical assumption test. Classical assumption tests that must be met in the linear regression model include normally distributed residuals, the absence of multicollinearity, and the absence of heteroscedasticity in the regression model.

iii. Multiple Regression Analysis

According to Gani and Amalia (2018), the multiple linear regression model can explain the functional relationship between several variables consisting of one dependent variable and several independent variables. This relationship is usually expressed in the formula:

$Y = a + \beta X\_1 + \beta X\_2 + + \beta X\_3 + \beta X\_4 + \beta X\_5 + e$

Information:

Y = Price share
a = Constant Number
β = Independent variable regression coefficient
e = Error (assumed value 0)
X1 = Current ratio
X2 = Return on Equity
X3 = Earning per Share
X4 = Price Earning ratio

iv. Significance Test

1. Partial Test (t-Test)

According to Priyatno (2018), the t-test or partial regression coefficient test is used to find out whether the independent variable partially has a significant effect or not on the dependent variable.

2. Simultaneous Significant Test (F Test)

According to Gani and Amalia (2018), the F test or Goodness of Fit Test is a model feasibility test. A valid model is a model that can be used to estimate the population. A regression model is said to be feasible if the F-number of the model meets the specified criteria. The number F can be calculated by the following formula:

$$F_{hit} \frac{R^2/(k-1)}{(1-R^2)/(n-k)}$$

The feasibility test of the model is carried out with the following criteria:

If the calculated F value > F table then Ho is rejected

If the value of F count < F table then Ho is accepted

Where:

H_0 = The model is not feasible so it cannot be used to estimate the population.

H_1 = The model is feasible so that it can be used to estimate the population

Coefficient of Determination Test (R^2)

According to Gani and Amalia (2018), the coefficient of multiple regression determination is a number that gives the percentage change in the value of the dependent variable (Y) which is determined by the change in the value of all independent variables (X). Then the formula for the coefficient of determination is:

$$\sum ([\![Y\text{-}\hat{Y})]\!] {}^{\wedge}2= \sum ([\![\hat{Y}\text{-}\bar{Y})]\!] {}^{\wedge}2+ \sum e\_{} (i{}^{\wedge}2)$$

3.2 Result

A. Descriptive Analysis

Descriptive analysis is the first step in discussing statistics which only deals with describing or providing information about a situation or phenomenon. the amount of data used in examining the descriptive statistical analysis on this current ratio is as many as 48 data. From 48 the data has a minimum value of 0.90 which is owned by PT Kimia Farma in 2020, for the maximum value in the current ratio data of 465.77 owned by PT Kalbe Farma in 2017. The average current ratio is 140, 2069 with a standard deviation of 160.10974. In return on equity, the minimum value is -8.79 which is owned by PT Indo Farma in 2018, and the maximum value for the return on equity data is 224.46 owned by PT Merck in 2018. The average return on equity is 16.6269 with a standard deviation amounting to 31.73347. In the price earning ratio, a minimum value of -835.70 is owned by PT Indo Farma in 2016, for the maximum value in the price earning ratio data is 530000.00 owned by PT Indo Farma in 2020. The average price-earning ratio is 11201.4154 with a standard deviation of 76477.90524. In earnings per share a minimum value of -18.57 was owned by PT Indo Farma in 2018, for the maximum value on earnings per share data is 2696.70 owned by PT Merck in 2018. The average earnings per share is 207,0746 with a standard deviation amounting to 526,91481. The market-to-book value ratio has a minimum value of 1.12 which is owned by PT Pryidam Farma in 2015. for maximum value on market-to-book value ratio data amounted to 184.00 owned by PT Merck in 2016. The average market-to-book value ratio is 49.1635 with a standard deviation of 56.27432. At the minimum value share price of 112.00 owned by PT Pryidam Farma in 2015. for the maximum value on the stock price data of 9200.00 which was owned by PT Merck in 2016. The average share price is 2400,833 with a standard deviation of 2227,057

Table 3.1. Descriptive Analysis

	N	*Range*	*Min*	*Max*	*Mean*	*Standart deviation*	*Variance*
CR	48	464.87	.90	465.77	140.2069	160.10974	25635.130
ROE	48	233.25	-8.79	224.46	16.6269	31.73347	1007.013
PER	48	530835.70	-835.70	530000.00	11201.4154	76477.90524	5848869989.750
EPS	48	2678.13	-18.57	2696.70	207.0746	526.91481	277639.216
MV	48	182.88	1.12	184.00	49.1635	56.27432	3166.800
HARGA SAHAM	48	9088.00	112.00	9200.00	2400.8333	2227.05725	4959784.014

B. Classic assumption test

A linear regression model can be called a good model if the model fulfills several assumptions which are called the classical assumption test. Classical assumption tests that must be met in the linear regression model include normally distributed residuals, the absence of multicollinearity, and the absence of heteroscedasticity in the regression model.

Table 3.2. Normality Test

N		48
Normal Parameter	*Mean*	.0000000
	Std Deviation	1331.34159348
Most Extreme Differences	*Absolute*	.111
	Positive	.111
	Negative	-.104
Test Statistic		.111
Asymp. Sig. (2-tailed)		.182

Figure 3. 1. Heteroscedasticity Test

Scatterplot
Dependent Variable: harga saham
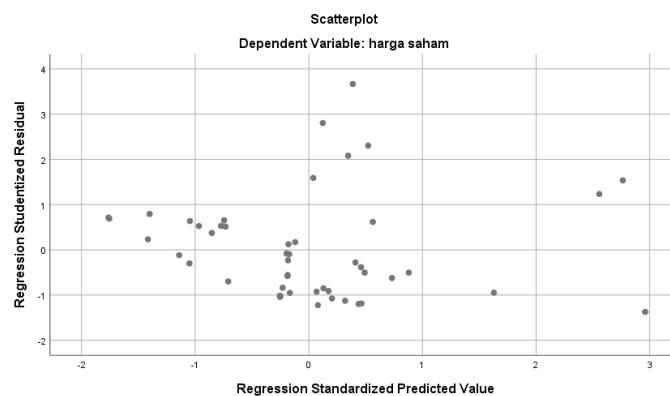
Table 3. 3. Multicollinearity Test

	Unstandarlized B	*Coefficients Std. Error*	*Standarlized Coefficients Beta*	*t*	*Sig.*	*Collinearity statistic*	
						Tolerance	*VIF*
Constant	2133.835	319.682		6.675	.000		
CR	-8.004	1.510	-.575	-5.301	.000	.722	1.385
ROE	-17.266	9.714	-.246	-1.777	.083	.444	2.252
PER	.005	.003	.175	1.894	.065	.993	1.007
EPS	.858	.624	.203	1.375	.176	.390	2.562
MV	29.317	4.290	.741	6.833	.000	.724	1.381

C. Multiple linear regression

The multiple linear regression model can explain the functional relationship between several variables consisting of one dependent variable and several independent variables.

Table 3. 4. Multiple linear regression

	Unstandarlized B	*Coefficients Std. Error*	*Standarlized Coefficients Beta*	*t*	*Sig.*
Constant	2133.835	319.682		6.675	.000
CR	-8.004	1.510	-.575	-5.301	.000
ROE	-17.266	9.714	-.246	-1.777	.083
PER	.005	.003	.175	1.894	.065
EPS	.858	.624	.203	1.375	.176
MV	29.317	4.290	.741	6.833	.000

Price Share$(Y) = 2133.835 - 8.004X\_1 - 17.266X\_2 + 0.005X\_3 + 0.858X\_4 + 29.317X\_5$

The explanation of the above equation is as follows:

1. The value of constant (a) is 2133,835. This means that if the current ratio, return on equity, price-earning ratio, earnings per share, and market-to-book ratio variables have a value of 0 or constant, the stock price will increase by 2133,835.
2. The regression coefficient value of the current ratio variable (βX_1) is negative, namely -8.004 meaning that for every unit increase in the current ratio variable is -8.004, the value of the stock price variable will decrease by -8.004.
3. The value of the regression coefficient of the return on equity variable (βX_2) is negative, namely -17.266, meaning that for every one unit increase in the return on equity variable by -17.266, the value of the stock price variable will decrease by -17.266.
4. The regression coefficient value of the price-earning ratio variable (βX_3) is positive, namely 0.005. This means that for every one unit increase in the price-earning ratio, the stock price will also increase by 0.005.
5. The regression coefficient value of the earning per share variable (βX_4) is positive, namely 0.858. This means that every time the increase in earnings per share, the share price will also increase by 0.858.
6. The regression coefficient value of the market-to-book ratio variable (βX_5) is positive, namely 29,317. This means that every time the market-to-book ratio increases, the stock price will also increase by 29,317.

D. Significant Test

Table 3.5. T Test

	Unstandarlized B	*Coefficients Std. Error*	*Standarlized Coefficients Beta*	*t*	*Sig.*
Constant	2133.835	319.682		6.675	.000
CR	-8.004	1.510	-.575	-5.301	.000
ROE	-17.266	9.714	-.246	-1.777	.083
PER	.005	.003	.175	1.894	.065

EPS	.858	.624	.203	1.375	.176
MV	29.317	4.290	.741	6.833	.000

Based on the output results from the table above, the current ratio variable has a t value of -5.301. Then –t count is less than the –t table (-5.301 < -2.018) it can be concluded that Ho is rejected. It means the current ratio has an effect on stock prices. This corresponds to The research hypothesis that the current ratio has an effect on stock prices.

Based on the output from the table above, the return on equity variable has the value of t count is -1.777. Then –t count is smaller than the –t table (-1.777 > -2018) it can be concluded that Ha is rejected. This means that the return on equity is not affected by stock prices. There are differences in research results between research hypotheses and testing on research. According to research conducted by Tumandung et al. (2017) aims to find out whether financial performance as measured by financial ratios current ratio, return on equity, debt to equity ratio and total asset turnover have a significant effect on prices shares in food and beverage companies listed on the Indonesia Stock Exchange for the period 2011–2015. The results of this study explain that return on equity has an effect partially significant to the stock price. However, this research, explains that return on equity has no effect on stock prices in pharmaceutical sub-sector companies 2015-2020.

Based on the output results from the table above, the variable price-earnings ratio has a t-count value of 1.867. Then t count is less than t table (1.894 < 2.018) it can be concluded that Ho is accepted. It means price earning ratio has no effect on stock prices. There is a difference in results between the research hypothesis and the results of variable testing price-earnings ratio. According to research conducted by Goyal and Gupta (2019) in his research explains that the price earning ratio has an effect on stock prices. However, research conducted by the researcher explains that the price-earning ratio variable does not affect on stock prices

Based on the results of the output from the table above, the variable earnings per share ratio has a t value of 1,240. Then t count is less than t table (1,375 <2,018) it can be concluded that Ho is accepted. It means earnings per share have no effect on stock prices. So therefore there is a difference in the results between the research hypothesis and the test results on research this time. Research conducted by Watung and Ilat (2016), Egam et.al (2017), and Khanji (2020) explain that earnings per share affect the stock price. However, this is different from the results of research conducted by researchers that earnings per share have no effect on stock prices.

Table 3.6. F Test

Model	Sum of square	df	Mean square	F	Sig.
1 Regression	149803738.056	5	29960747.611	15.105	.000^b
Ressidual	83306110.610	42	1983478.824		
Total	233109848.667	47			

Based on the output obtained in the table above, the calculated F value amounted to 15,105. As for the F table, it can be seen in the statistical table at significance level of 0.05 with df 1 (number of variables- 1) or 5-1 = 4,and df 2(n-k-1) or 48-5-1 =42. The results obtained from Ftable are 2.59. Based on the results obtained from Fount and Fable, it can be concluded that

(15.105 > 2.59) then Ho is rejected. It means the model is feasible to estimate the population or it can be said that the current ratio, return on equity, price earning ratio, earnings per share and market-to-book value ratio simultaneously affect the stock price.

Table 3.7. Coefficient of Determination Test (R^2)

Model	R	R Square	Adjusted R Square	Std. Error of estimate
1	.802ᵃ	.643	.600	1408.36033

The output value of R^2 0.643. It means the percentage of the contribution of the variable current ratio, return on equity, price earning ratio, earnings per share, and market to book value ratio to share price of 64.3%, while the rest is influenced by other variables that are not included in the this model

4.0 CONCLUSION

4.1 Effect of Current Ratio on Stock Prices

Based on the results of the research conducted, it can be concluded that the current ratio has an effect on stock prices. This is known by the results of the partial test. From the test, it is explained that the current ratio variable has a t-count value of -5.301 and a t-table of -2.018. Then –t count is smaller than –t table (-5.301 < -2.018) so it can be concluded that Ho is rejected. This means that the current ratio has an effect on stock prices. Based on the existing theory that the current ratio calculates the company's ability to meet all short-term debt from its current assets. The higher this number, the smoother the company's financial position. And based on the results of descriptive analysis on the current ratio variable, the average value is above 100 times, which is 140.20 times, this indicates that on average, companies in the pharmaceutical sub-sector can meet all of their short-term debts as much as 140.20 times their current assets. In addition, the standard deviation value owned by this variable is greater than the average value, meaning that the data in the variable is increasingly spread out from the average value. And based on the multiple regression analysis produced by the current ratio variable, the regression coefficient value of the current ratio variable is negative, namely -8.004 meaning that every one unit increase in the current ratio variable is -8.004, the value of the stock price variable will decrease by -8.004. This clearly indicates that the current ratio variable has an effect on increasing stock prices because if the current ratio value is in a negative position, it will have a decreasing impact on stock prices in the pharmaceutical sub-sector. This is also in line with the research conducted by Sondakh et al. (2015) The results of this study state that partially the current ratio affects stock prices.

4.2 Effect of Return on Equity on Stock Prices

Based on the results of the research conducted, it can be concluded that return on equity has no effect on stock prices. This is known by the results of the partial test. From the test, it is explained that the return on equity has a t-count value of -1.777 and a t-table of -2.018. So –t count is greater than –t table (-1.777 > -2.018) so it can be concluded that Ha is rejected. This means that return on equity has no effect on stock prices. However, these results are in line with the research conducted by Ariesa et al. (2020) The results of this study show that

partially the current ratio and return on equity do not have a significant effect on the stock price of manufacturing companies.

4.3 Effect of Price Earning Ratio on Stock Prices

Based on the results of the research conducted. it can be concluded that the price reading ratio has no effect on stock prices. This is known by the results of the partial test. From the test, it is explained that the price-earning ratio variable has a t-count value of 1.894 and a t-table of 2.018. So t arithmetic is smaller than the t table (1.894 < 2.018) it can be concluded that Ho is accepted. This means that the price-earning ratio has no effect on stock prices. And this is in line with the results of research that has been conducted by Khanji (2020). The results of this study are partially DPS, EPS, BV, and M/B have a partial effect. While P/E has no partial effect on stock prices

4.4 Effect of Earnings per Share on Share Prices

Based on the results of the research conducted. it can be concluded that earnings per share have no effect on stock prices. This is known by the results of the partial test. From the test, it is explained that the earning per share variable has a t-count value of 1.375 and a t-table of 2.018. So t count is smaller than the t table (1,375 <2,018) it can be concluded that Ho is accepted. This means that earnings per share have no effect on stock prices. However, in this study, it is explained that earnings per share have no effect on stock prices. And the results of this study are in line with the results of research conducted by Al-Oshaaibat and Al-Manaseer (2018) which explains that earnings per share have no effect on stock prices.

4.5 Effect of Market-to-Book Ratio on Stock Prices

Based on the results of the research conducted. it can be concluded that the market-to-book value ratio has an effect on stock prices. This is known by the results of the partial test. From the test, it is explained that the market-to-book value ratio variable has a t-count value of 6.833. So t count is greater than the t table (6,833 > 2,018) it can be concluded that Ho is rejected. This means that the market-to-book value ratio has an effect on stock prices. The market book value ratio is an important ratio to calculate company value. This is in line with the existing theory that the higher the PBV value, the higher the price per share, and vice versa. The higher the stock price, the higher the investor's reputation for the company's performance. The results of this study are in line with the research conducted by Khanji (2020). The results in this study are partially DPS.EPS.BV and M/B have an effect on stock prices.

4.6 Effect of Current Ratio, Return On Equity, Earning Per Share, Price Earning Ratio, and Market To Book Ratio on Stock Prices

Based on the results of the research conducted, it can be concluded that the current ratio, return on equity, earnings per share, price-earnings ratio, and market-to-book ratio simultaneously affect stock prices. This is known by the results of the simultaneous test (Test F). Based on the output obtained, the calculated F value is 15,105. The results obtained from the F table are 2.59. Based on the results obtained from the Fount and F table, it can be concluded that (15.105 > 2.59) then Ho is rejected. This means that the model is feasible to

estimate the population or it can be said that the current ratio, return on equity, price earning ratio, earnings per share and market-to-book value ratio have a simultaneous effect on stock prices.

5.0 SUGGESTION

Based on the conclusions above, suggestions that can be given to the pharmaceutical sub-sector companies are that the company should be able to further improve its performance in order to increase its assets, especially profits, and current assets of the company. the ratio that will affect the company's stock price. Furthermore, the company must also maintain the value per share and the company's share price to remain stable because this will also affect the company's market-to-book value ratio. For investors and potential investors who will invest their capital in pharmaceutical sub-sector companies, it is better to understand information about the financial performance and market situation of pharmaceutical sub-sector companies because this information is important to know to make decisions to invest in these companies. In particular, investors must pay attention to profits, and current assets because according to the results of this study, current profits and assets have an effect on increasing the current ratio variable which will affect the company's stock price. Furthermore, investors must also pay attention to the value per share and the company's share price because this will also affect the company's market-to-book ratio. Future researchers are expected to be able to use other ratios such as quick ratio, return on assets, debt to asset ratio, and net profit margin and can also research other sectors besides the pharmaceutical sector. In addition, it is also expected to be able to conduct research using other variables such as exchange rates and inflation rates on stock prices of pharmaceutical sub-sector companies.

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