

SPECIFIC DETERMINANTS AFFECTING SHARE PRICES IN INDONESIA STOCK EXCHANGE

**RISA ISMAH FATIMAH *, WAHYU ANGZELINA SIMANJUNTAK *, NATASHA
ABREL ARDHANI *, AND FARAH MARGARETHA LEON****

* Student, Faculty of Economics and Business, Universitas Trisakti, Jakarta, Indonesia

** Lecturer, Faculty of Economics and Business, Universitas Trisakti, Jakarta, Indonesia

<https://doi.org/10.37602/IJSSMR.2023.6318>

ABSTRACT

The market share price is an important factor that investors look at before buying shares because the market share price is an indicator of a company's success in managing its business. The purpose of this research is to know and see the influence of the factors that influence market share prices. The independent variables in this study are earnings per share, dividends per share, price earnings ratio, and book value per share, dividend yield, retention ratio, and company age. Meanwhile, the dependent variable is the market share price. This research was conducted by collecting 22 companies registered in LQ-45 companies over a period of 5 years (2017-2021). The results of the research conducted explained that earnings per share, dividends per share, price earnings ratio, dividend yield, and book value per share have a significant positive effect on market share prices, while firm age and retention ratio have no effect on market share prices. The implication of the research that has been done is to provide direction for financial managers regarding the specific factors that influence market share prices in order to achieve the company's goal of increasing the company's market share price. Investors should choose companies that have high earnings per share, dividends per share, price-earnings ratio, book value per share, and dividend yields because this indicates the company's success in managing its business, this is reflected by the price of its shares, so Investors get a high rate of return on the shares they own.

Keywords: Book Value per Share, Dividend per Share, Dividend yield, Earnings per Share, Market price per share

1.0 INTRODUCTION

One of the investment tools that can be used by investors in Indonesia is investing in the capital market through stock investment. In investing in the capital market there are two advantages, namely capital gains and dividends. Dividends are a distribution of profits generated by the company to be distributed to shareholders or these profits can be retained in the form of retained earnings which can be used for investment in the future (Moridu et al., 2022).

Based on data from the Indonesian Central Securities Depository, the number of investors as of January 2023 has increased by 1.65% compared to the previous year, namely 10,311,152 to 10,481,044 investors. Based on these data, it can be concluded that the participation of the Indonesian people in the capital market is increasing every year. One index that is quite attractive to the Indonesian people is the LQ-45 index.

Seeing this, many investors invest their funds in the LQ-45 Index. The LQ-45 Index is an index that measures the price performance of 45 company shares that are considered to have high liquidity and large market capitalization. Another thing that supports this is the company's fundamentals. Good (Welkom, 2023). A high level of shareholder prosperity indicates a high company value, so that investors tend to attract investors to buy the company's shares (Dessriadi et al., 2022).

Profits through dividends and capital gains will not always be obtained by investors, which means that investing in the capital market carries a risk called capital loss. To avoid these losses, investors must pay attention to the dividend policy of each company. The dividend policy is carried out by the company to attract investors to invest in the company. As for what is meant by dividend policy is a number of profits that the company gets which will later be distributed as dividends to investors or shareholders, these profits come from the operational results of the company's performance within a certain period of time (Moridu et al., 2022). Each company sets a different dividend policy and this information is needed so that investors can find out the company's performance before making investment decisions (Husen & Kharisma, 2020).

An important factor that investors must pay attention to when investing is paying attention to market share prices because an indicator of the success of managing a company is measured using market share prices. Which has a lower share price (Surenjani et al., 2023). The profit generated by the company is related to the market share price, if the profit earned by the company is high enough then dividends will be paid with a high nominal so that it will have a positive effect on market share prices on the stock exchange (Nenobais et al., 2022).

The findings of the previous literature say that earnings per share has a significant effect on market share prices, as well as dividend per share, P/E ratio, book value of share, age of firm, and also retention ratio has a significant positive effect on market share prices, while the dividend yield has a negative effect on market share prices (Maskey, 2022). The purpose of this research is to see the influence of specific factors that determine market share prices in LQ45 companies listed on the Indonesia Stock Exchange. One of them is the influence of earnings per share on market share prices.

2.0 LITERATURE REVIEW

2.1 Earning Per Share

Earnings per share obtained from the net profit generated by the company in the form of profits on funds that have been invested by investors (Yosevin Gloria Angesti, 2019). Low profits will be able to provide a large risk to decision makers for users such as investors. The higher earnings, are the higher profit on the sale of company shares (Situmeang & Muharam, 2015). According to, (Leon & Ricky, 2017), the growing earnings per share is a very positive sign, while a decreasing earnings per share can induce market share prices to be depressed.

2.2 Dividend Policy

Dividend policy as the most important thing in a company's funding decisions also affects how much the amount of dividends will be distributed to shareholders (Jannah & Haridhi, 2016).

Where this will affect how much the amount of dividends will be distributed to investors. Dividend policy influences monetary choices about paying current cash dividends or future dividend increases. Decisions regarding dividends are subjective to a company's potential long-term earnings and are largely dependent on the unallocated income (reserve money) of the business. Dividend policy informs the company in dividend payout decisions and financial managers need to consider not only the need for reinvestment of earnings but also how decisions regarding dividends affect prices.

2.3 Price Earnings Ratio

According to, Sharif et al., (2015), investors believe that a company has a promising future if it has a high price earnings ratio (PER). Therefore, a high price earnings ratio (PER) will be a positive signal that can attract investors to buy stocks so that they can affect market share prices. According to, Almumani, (2014), price earnings ratio has a positive effect on market share prices.

2.4 Book Value of Share

With the book value of share ratio, investors can find out directly how many times the market value of a stock has been appreciated from its book value (Tannia, 2020). Where this ratio gives an idea of which market share price movements book value of shares have an impact on market share prices. According to, Beliani, (2015), book value of share has no effect on market share prices.

2.5 Dividend Yield

According to, Khurniaji & Raharja, (2013), Dividend yield describes how much income return investors will get for the amount of money they have invested. The size of the dividend yield value can be useful for potential investors to assess the company that will be used as an investment place. Where the greater the dividend yield, the company is considered by investors to have good performance. Which will result in an increase in the company's share price. According to, Ermia et al., (2019), dividend yield has a significant effect on market share price movements, where the company's ability to guarantee the distribution of returns to shareholders affects the company's market share price increase.

2.6 Retention Ratio

According to, Aryanti, (2021), when the retention ratio shows a positive number, it means that the profit generated is partially reinvested into the company, this undistributed profit will increase the amount of own capital and affect the growth rate of own capital. If the value of the retention ratio is high, it will lower the market share price. This happens because of the reduced desire of investors to invest in the company. Thus, information regarding the retention ratio is needed by investors as a reference in making investment decisions in a company (Febri Safira & Juliana Dillak, 2016).

2.7 Conceptual Framework

Previous research by, Maskey, (2022), see earnings per share positive effect on market share prices. Dividend payout from research result, Priana & R.M., (2017), indicates a positive effect of dividend payout on market share price movements. Price earnings ratio from research results Firdaus & Kasmir, (2021), indicating a positive influence on market share prices. Book value of shares from research results, M. G. P. D. & Prabath, (2014), indicating a significant positive effect on market share prices. Firm age from research results, Ayu et al., (2022), shows a positive influence on market share prices. Dividend yield from research results, Shah & Noreen, (2016), indicating a significant negative effect on market share price movements. Retention rate from research results, Aryanti, (2021), shows no positive effect on market share prices. Therefore, based on the explanation above, the conceptual framework in this study is described as follows:

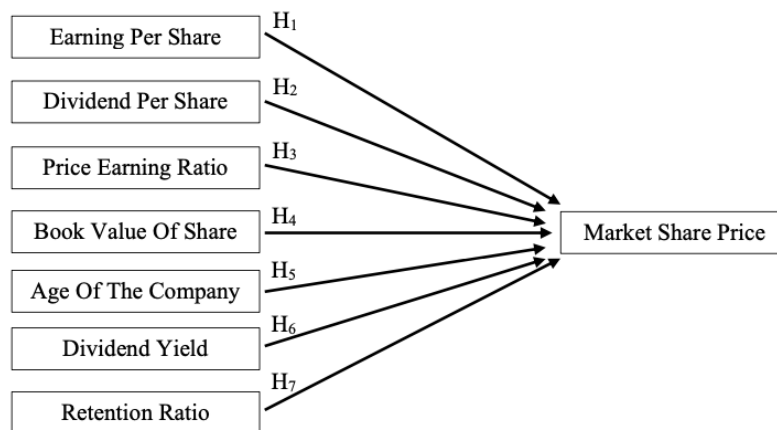


Figure 1: Conceptual Framework

Earnings per share shows the amount of net profit owned by the company that is ready to be distributed to shareholders. According to, Maskey, (2022), earnings per share positive effect on market share prices. Meanwhile, according to, Yosevin Gloria Angesti, (2019), earnings per share has a significant negative effect on market share price movements. The results of research that has been conducted by (Juliani, 2021), revealed that earnings per share significant effect on market share price volatility. Based on this, the first hypothesis is formulated as follows:

H1: There is an intermediate effect earnings per share to market price per share (MPS)

According to, Oktaviani & Agustin, (2017), dividend per share has a positive effect on market share price movements. According to, Priana & R.M., (2017), dividend payout has a positive effect on market share price movements and this opinion is also supported by (Rohmawati I, 2017). Based on this, the second hypothesis is formulated as follows:

H2: There is an influence between the dividend per share and the market price per share (MPS)

According to, Firdaus & Kasmir, (2021), price earning ratio positive significant effect on market share prices. According to, Handayani & Arif, (2021), the price earning ratio has a positive and significant effect on market share prices. Meanwhile, according to, Meythi & Mathilda, (2012), price earning ratio has a negative effect on market share prices. According

to, Rendi et al., (2014), the price earning ratio has a negative and significant effect on market share prices. Based on this, the third hypothesis is formulated as follows:

H3: There is an influence between the price earnings ratio on the market price per share (MPS)

According to, (M. G. P. D. & Prabath, 2014), book value of shares has a positive effect on market share prices. According to, (Aletheari & Jati, 2016), has a positive effect on market share prices. Where the book value of shares can be a consideration for investors by looking at the condition of the company before making an investment. According to, (Saputro, 2019), book value of shares positive and significant effect on market share prices. Based on this, the fourth hypothesis is formulated as follows:

H4: There is an influence between the book value of shares on the market price per share (MPS)

According to, (Maskey, 2022b), firm age significant positive effect on market share prices. According to, (Ayu et al., 2022), firmage has a positive effect on market share prices. Research conducted by, Valen, (2017), show that firmage has no effect on market share prices. Based on this, the fifth hypothesis is formulated as follows:

H5: There is an influence between firm age and market price per share (MPS)

According to, Dewi & Paramita, (2019), dividend yield significant positive effect on market share price volatility, because dividend yield high means the current market share price is low, so the company has a high investment risk. According to, Novius et al., (2017), dividend yield significant effect on market share price volatility. Research conducted by, Shah & Noreen, (2016), regarding the effect of dividend yield on market share price movements, it was found that dividend yield had a significant negative effect on market share price movements. According to, Ayuning Putri, (2020), dividend yield effects on market share price movements. Based on this, the sixth hypothesis is formulated as follows:

H6: There is an influence between dividend yield and market price per share (MPS)

According to, Aryanti, (2021), retention rate proved to have no positive effect on market share prices. Meanwhile, according to, Febri Safira & Juliana Dillak, (2016), he retention rate has a significant effect on market share prices. According to, (Maskey, 2022b), retention rate has no significant effect on market share prices. Based on this, the seventh hypothesis is formulated as follows:

H7: There is an influence between the retention rate and the market price per share (MPS)

3.0 METHODS

3.1 Variable and Variable Measurement

The variables and measurements used in this study intend to determine the relationship between the independent variables and the dependent variable, each of which is described as follows:

Table 1: Identification and Measurement of Variables

Variables	Measurement	Reference
Market Share Price (IDR)	Stock price in year t	Maskey, (2022a)
Earning Per Share (IDR)	(Net profit after tax – dividend) / Number of outstanding shares	I et al., (2022)
Dividend Per Share (IDR)	Dividend/ Number of shares outstanding	Maskey, (2022a)
Price Earning Ratio	Market value of share/Earning per share	Maskey, (2022a)
Book value of shares (IDR)	Equity/Number of share	I et al., (2022)
Age of the company (Year)	Company age in year t	Maskey, (2022a)
Dividend Yield	Dividend per share/market value per share	Maskey, (2022a)
Retention Ratio	(Net income- dividend)/Net Income	Maskey, (2022a)

3.2 Sampling Model

The sampling method used for this research is purposive sampling. The data collection method used is the secondary data collection method, obtained from sources that have published the data. The data sources for this study were obtained from the IDX website (<https://idx.co.id>), Yahoo Finance (<https://finance.yahoo.com>) each company's website was sampled. Observation data were taken from 22 companies listed on LQ45, namely 4 companies from the financial sector or 18% of the number of samples studied, 2 companies from the infrastructure, utilities and construction sectors or 9.5% of the number of samples studied, 4 companies from the trade, services & investment sector or 18% of the number of samples studied, 4 companies from the basic and chemical industry sector or 18% of the number of samples studied, 1 company from the various industrial sectors or 4.5% of the number of samples studied, 5 companies from the consumer goods industry sector or 23% of the number of samples studied, 1 company from the telecommunications sector or 4.5% of the number of samples studied, and 1 company from the mining sector or 4.5% of the number of samples studied with the 2017-2021 observation period, so that the total observations were 110.

3.3 Data analysis method

3.3.1 Classic assumption test

The classical assumption test was performed to obtain valid regression analysis results. Theoretically, testing the classical assumptions includes tests consisting of data normality, multicollinearity, autocorrelation tests, and heteroscedasticity tests. The classical assumptions in this study were tested using the IBM SPSS Statistics 25 program.

3.3.2 Data Normality Test

The normality test result indicated that the multiple regression model was normally distributed. This can be seen from the significance value of the test results, which is greater than 0.05 ($0.080 > 0.05$). Thus, it can be concluded that the regression model used as a research hypothesis fulfills the assumption of normality.

3.3.3 Multicollinearity Test

The results of the multicollinearity test show that all variables have VIF values less than 10; therefore, it can be concluded that multicollinearity does not occur (H_0 is accepted). In addition, the tolerance value also shows a value greater than 0.10; therefore, it can be concluded that there is no correlation between the independent variables.

3.3.4 Autocorrelation Test

The results of the autocorrelation test based on the table at a significance of 5%, with a total sample of 110 and the number of independent variables 7 ($k = 7$), the Durbin Watson table will give a du value of 1.8262. Because the dw value of 1.842 is greater than the upper limit (du) of 1.8262 and less than $4-du$ ($4-1.8262 = 2.1738$), it can be concluded that there is no autocorrelation.

3.3.5 Heteroscedasticity Test

The results of the heteroscedasticity test showed that all variables had a p -value greater than 0.05. Therefore we can conclude that the regression model is not constrained by heteroscedasticity.

3.3.6 Goodness of Fit Test (R^2)

This test aims to determine the influence of the independent variables on the dependent variable. This analysis test used the adjusted R^2 value because the number of independent variables was greater than one. Based on the results of the goodness-of-fit test, the adjusted R -squared value for the Market Price Per Share variable was 0.853. This means that the independent variables, namely Retention Ratio, Age of the Company, Book Value Of Share, Dividend Yield, Price Earning Ratio, Dividend Per Share, and Earning Per Share are able to explain the variation of the dependent variable Market Price Of Share of 48.6%, while the remaining 51.4% explained that the Market Price Of Share can be influenced by other factors that are not included in this model.

3.3.7 Concurrent Test (F-test)

Based on the simultaneous test results, it appears that the probability of the F -statistic produces a value of 0.000 where this value is less than 0.05 ($\alpha=0.05$), so it can be concluded that with a 95% confidence level, all variables together have a significant effect to the market price of shares.

3.3.8 Research Regression Model

The multiple linear regression model previously used by (Maskey, 2022c) can be written as follows:

$$MPS_{it} = a + \beta_1 EPS_{it} + \beta_2 DPS_{it} + \beta_3 (P/E)_{it} + \beta_4 BVS_{it} + \beta_5 Age_{it} + \beta_6 DY_{it} + \beta_7 RR_{it} + e_{it}$$

$$MPS_{it} = 974.645 + (2.049) EPS - (13.196) DPS + (7.123) P/E - (0.944) BVS + (7.383) AGE + (18.400) DY + (3.190) RR$$

Keterangan:

MPS_{it} , = Market Price of Share of firm i in year t

EPS_{it} , = Earnings Per Share of firm i in year t

DPS_{it} , = Dividend Per share of firm i in year t

DY_{it} , = Dividend yield of firm i in year t

$(P/E)_{it}$, = Price Earnings ratio of firm i in year t

BVS_{it} , = Book Value of Share of firm i in year t

Age_{it} , = Age of firm i in year t

RR_{it} , = Retention Rate of firm i in year t

4.0 RESULT

4.1 Descriptive Statistics

Earnings per share (EPS) have an average value of IDR 391.28, indicating that the company's EPS is larger because the average value is close to the minimum value of IDR 7.23 and has a standard deviation value of IDR 533.73. The minimum value of EPS is IDR 7.23, and the maximum value is IDR 3,033.00. The company with the highest earnings per share was recorded by PT United Tractors Tbk., amounting to IDR 3,033.00 in 2019. Meanwhile, the company with the lowest earnings per share of IDR 7.23 was PT Sumber Alfaria Trijaya Tbk. in 2017.

The dividend per share (DPS) has an average value of IDR 214.11, indicating that the average DPS in companies is greater because the average value is close to the minimum value of IDR 2.64 and the standard deviation value of IDR 262.92. The minimum DPS is IDR 2.64, and the maximum value is IDR 1,240.00. The company with the highest DPS was PT United Tractors Tbk., worth IDR 1,240.00 in 2021. Meanwhile, the company with the lowest DPS of IDR 2.64 was recorded by PT Sumber Alfaria Trijaya Tbk. in 2019.

The price-earnings ratio (PER) has an average of 28.49, indicating that the average PER in the company is smaller because the average value is close to the minimum value of 3.87 and the standard deviation value is 27.12. The minimum value of PER was 3.87, and the maximum value was 153.86. The company with the highest PER is PT Bank Central Asia Tbk., with

153.86 in 2020. Meanwhile, the company with the lowest price-earnings ratio of 3.87 was recorded by PT Bukit Asam Tbk. in 2021.

The book value of the share (BVS) has an average value of IDR 3,118.66, indicating that the average BVS in companies is smaller because the average value is close to the maximum value of IDR 1,925.43 and has a standard deviation value of IDR 3,782.99. The minimum value is IDR 108.22, and the maximum value is IDR 19,255.43. The company with the highest BVS was recorded by PT United Tractors Tbk. at IDR 19,255.43 in 2021. Meanwhile, the company with the lowest BVS of IDR 108.22 was recorded by PT Industri Jamu and Pharmacy Sido Muncul Tbk. in 2020.

The company's age has an average value of 47.18 years, indicating that the average age of the company is smaller because the average value is close to the minimum value of 9.00 years. The minimum value of age is 9.00 years, and the maximum value is 126.00 years. The company with the highest age was PT Bank Rakyat Indonesia (Persero) Tbk. which was 126 years old in 2021. The company with the lowest age of 9.00 years was PT Sarana Menara Nusantara Tbk. in 2017.

The dividend yields (DY) have an average value of 0.04, indicating that the average DY in the company is smaller because the average value is close to the minimum value of 0.00 and has a standard deviation of 0.06. The minimum value of DY was 0.00, and the maximum value was 0.36. The company with the highest DY was PT. AKR Corporindo Tbk., amounting to 0.36 in 2021. Meanwhile, companies with the lowest DY (0.00) were recorded by PT Bank Central Asia TBK in 2018.

The retention ratio had an average value of 0.45, indicating that the average retention ratio in the company was smaller, and the standard deviation value was 0.32. The minimum retention value was 0.77, and the maximum value was 0.93. The company with the highest retention ratio was PT. Bank Negara Indonesia (Persero) Tbk. It will be 0.93 in 2021. The company with the lowest retention ratio (0.77) was recorded by PT Indocement Tunggal Prakarsa Tbk. in 2018. To maintain an optimal market share price, the company tries to continue paying dividends even though it is known that net income is experiencing a loss, so the result of the minimum retention ratio is negative.

The market price of shares (MPS) has an average value of IDR 0.45, indicating that the average MPS in companies is smaller because the average value is close to the minimum value of IDR 270.44 and has a standard deviation value of IDR 6,283.35. The minimum value of MPS is IDR 270.44, and the maximum value is IDR 35,400.00. Companies with the highest MPS were recorded by PT. United Tractors Tbk. at IDR 35,400.00 in 2017. Meanwhile, the company with the lowest MPS of IDR 270.44 was recorded by PT Industri Jamu and Pharmacy Sido Muncul Tbk. in 2017.

Table 3: Descriptive Statistics

Variables	Minimum	Maximum	Mean	Std. Deviation
Earning Per Share (IDR)	7.23	3,033.00	391.28	533.73

Dividend Per Share (IDR)	2.64	1,240.00	214.11	262.92
Price Earning Ratio	3.87	153.86	28.49	27.12
Book value of shares (IDR)	108.22	19,255.43	3,118.66	3,782.99
Age of the company (Year)	9.00	126.00	47.18	25.88
Dividend Yield	0.00	0.36	0.04	0.06
Retention Ratio	(0.77)	0.93	0.45	0.32
Market Share Price (IDR)	270.44	35,400.00	5,919.73	6,283.35

Source: data is processed with SPSS 25.0

4.2 T-Test

The data method used in this study was a multiple regression model with a significance level of 5% ($=0.05$). A t-test was conducted to determine the effect of the independent variables on the dependent variable. The decision-making criterion is that if sig.t is < 0.05 , H_0 is rejected, and if sig.t is > 0.05 , H_0 is accepted.

H1: There is an intermediate influence of earnings per share on the market price per share (MPS).

Earnings Per Share (EPS) to Market Price Per Share has a significance value of $0.030 < 0.05$ and a coefficient value of 2.049 in a positive direction. The results show that earnings per share have a positive influence on market prices per share. This is in line with research conducted by, Maskey, (2022) which shows that earnings per share have a significant positive effect on market price per share. This means that high earnings per share indicate an increase in the company's profit for each share, which will increase the company's market share price; when company profits decrease, the company's market share price tends to decrease. In addition, the higher the EPS value, the higher the level of prosperity of investors, which increases the amount of capital invested by investors in the company.

H2: There is an influence between the dividends per share on the market price per share (MPS).

Dividend Per Share (DPS) to the Market Price Per Share has a significance value of $0.001 < 0.05$ and a coefficient value of 13.196 in a positive direction. The results of this study concluded that there was a positive influence Dividend Per Share to the Market Price Per Share. The results of this study are in line with research conducted by, Oktaviani & Agustin, (2017) which states that the dividend per share has a positive effect on the market price per share. It can be said that the higher the distribution of dividends per share will increase investor confidence and indirectly this will provide information to investors that the company's ability to generate profits increases, which will ultimately affect investor interest in buying the company's shares,

the more investors who are interested in buying these shares will increase the demand for these shares so that it will affect the increase in the company's market share price.

H3: There is an influence between the price-earning ratio and the market price per share (MPS).

The price-earnings ratio (PER) to the market price per share has a significance value of $0.017 < 0.05$ and a coefficient value of 7.123 in the positive direction. The results of this study conclude that there is a positive influence of the price earning ratio on the market price per share, which is in line with the results of Handayani & Arif, (2021) who find that the price earning ratio has a positive effect on the market price per share. The price-earnings ratio indicates the amount of money issued by investors to earn profits. The results of this study indicate that investors pay attention to the price-earnings ratio when deciding to invest; when the price-earnings ratio value is high, investor interest in investing in the company will increase, which will ultimately affect market share prices.

H4: There is an influence between the book value of shares and the market price per share (MPS).

The book value of shares (BVS) to the market price per share has a significance value of $0.001 < 0.05$ and a coefficient value of 0.944 in a positive direction. The results of this study concluded that there was a positive influence of the book value of shares on the market price per share. The results of this study are in line with (Saputro, 2019) & Aletheari & Jati, (2016) who found that the book value of shares has a positive effect on the market price per share. It can be said that the book value of shares is an assessment used by investors as the fair price of shares in comparison with the price of shares offered. When the fair price of shares is high, many investors are interested in owning these shares. This will cause an increase in demand for these shares, which will affect the increase in market share prices.

H5: There is an influence between firm age and market price per share (MPS).

Firm Age to Market Price Per Share has a significant value of $0.255 > 0.05$ and a coefficient value of 7.383 in the positive direction. The results of this study conclude that firm age has no effect on the market price per share. The results of this study are in line with those of, Valen, (2017), who states that the resulting firm age has no effect on the market price per share. In this study, we show that the age of the company is not the most influential factor in influencing the price of market share but earnings per share, which is one of the most important factors in determining market prices.

It can be said that the length of the company's survival gives a distinct impression to investors of good performance in managing the company. However, this does not fully determine whether a company has good prospects in the future. Both new and old companies must be able to predict market demand and have the ability to compete to produce good corporate value that can attract investors.

H6: There is an influence between dividend yield and market price per share (MPS).

Dividend Yields (DY) to the Market Price Per Share have a significance value of $0.001 < 0.05$, and a positive coefficient value of 18,400. The results of this study concluded that there was a

positive influence on dividend yield from the market price per share. This conclusion is in accordance with the results of the study. According to, Dewi & Paramita, (2019), the dividend yield has a significant positive effect on market share price volatility. This is because a high dividend yield means that the current market share price is low; thus, the company has a high investment risk. The results also show that investors who invest in companies are more concerned about current dividend payments than future capital gains. It can also be argued that investors view current cash dividends with more relevance than the tax benefits associated with retained earnings.

H7: There is an influence between the retention rate and the market price per share (MPS).

The retention rate compared to the market price per share has a significance value of $0.832 > 0.05$ and a coefficient value of 3.190 in the positive direction. The results of this study concluded that there was no effect of retention rate on the market price per share, which is in accordance with the results of the study according to, Maskey, (2022b), retention ratio has no significant effect on market share prices. It can be said that the retention ratio refers to the percentage of company profits that are not distributed as dividends to shareholders and are reserved primarily for reinvestment in the company. This shows that investors analyze the company's dividend policy when making investment decisions.

Table 4: Individual Test Results (T-test)

Variables Independent	Variable Dependent		Conclusion
	Market Price Per Share		
	Coefficient	Significance	
Constant	974.645	0.078	
Earning Per Share	2.049	0.000	Positive significant
Dividend Per Share	13.196	0.001	Positive significant
Price Earning Ratio	7.123	0.034	Positive significant
Book Value Of Shares	0.944	0.002	Positive significant
Firm Age	7.383	0.509	Not significant
Dividend Yield	18.400	0.001	Positive significant
Retention Rate	3.190	0.832	Not significant

Source: data is processed with SPSS 25.0

5.0 CONCLUSION AND IMPLICATION

Based on the results of the tests conducted, the following conclusions can be drawn: First, the earnings per share variable has a significant positive effect on the market price of share. Second, the dividend per share variable has a significant positive effect on the market price of the share. Third, the price-earning ratio variable has a significant positive effect on the market price of share. Fourth, the book value of the share variable has a significant positive effect on the market price of the share. Fifth, the age of the company variable has no effect on the market price of share. Sixth, the dividend yield variable has a significant positive effect on the market

price of the share. Seventh, the retention ratio variable has no significant effect on the market price of share.

Based on the results of the research that has been done, there are benefits to be gained as implications for financial managers and investors which are taken into consideration in making decisions. This research is expected to provide benefits to financial managers in companies, especially companies that are included in the LQ-45 Index companies regarding specific factors such as earnings per share, dividend per share, price earning ratio, the book value of the share, and high dividend yield. Affect stock prices in LQ-45 index companies listed on the Indonesia Stock Exchange. So that by paying attention to these variables, it can be planned regarding making specific decisions that affect stock prices in the secondary market. Financial managers should increase net income so that earnings per share can increase along with the increasing number of requests for company shares from potential investors which in turn will increase the company's stock price which causes the stock returns to be obtained by investors to also be higher.

This research is expected to provide benefits to investors as empirical evidence of information regarding the specific factors that influence stock prices which are influenced by earnings per share, dividend per share, price earning ratio, the book value of shares, and dividend yield. So that it can provide a signaling theory for investors in making investment decisions in LQ-45 index companies. Investors should choose companies that have high earnings per share, dividend per share, price earning ratio, book value of shares, and dividend yield in order to get a high level of stock returns.

6.0 LIMITATION AND RECOMMENDATION

Based on the results of research that has been done, there are several limitations that can be used as consideration for related parties, including company managers need to consider factors that can affect the company's market shares price such as earnings per share, dividend per share, price earning ratio, the book value of shares, and dividend yield because this can create an optimum market price that can be chosen for both investors and companies. For future researchers, if they are going to do the same research, it is advisable to be able to research in other sectors and for a longer period of time and it is expected to add other variables so that they can show other factors that can affect stock prices. Variables that can be added include, (Kayode I. et al., 2022) dan dividend payout ratio (Amirthalingam & Rajaratnam, 2022)

REFERENCES

- Aletheari, I. A. M., & Jati, I. K. (2016). Pengaruh Earning Per Share, Price Earning Ratio, Dan Book Value Per Share Pada Harga Saham. E-Jurnal Akuntansi Universitas Udayana , 17(2), 1254–1282.
<https://ojs.unud.ac.id/index.php/Akuntansi/article/view/21667/16032>
- Almumani, M. A. (2014). Determinants of Equity Share Prices of the Listed Banks in Amman Stock Exchange: Quantitative Approach. International Journal of Business and Social Science, 5(1), 91–104.
https://ijbssnet.com/journals/Vol_5_No_1_January_2014/12.pdf

- Amirthalingam, N., & Rajaratnam, A. (2022). The Impact of Dividend Policy on Share Price Volatility: A Study of Materials Industry in Colombo Stock Exchange. *International Journal of Technical & Scientific Research Engineering*, 5(6), 13–20. www.ijtsre.org
- Aryanti, R. P. (2021). Pengaruh Dividend Yield, Retention Ratio, Eps, Dan Roe Terhadap Harga Saham. *Jurnal Ilmiah Edunomika*, 5(1), 235–245. <https://jurnal.stie-aas.ac.id/index.php/jie/article/view/2117>
- Ayu, K., Wati, K., Luh, N., Widhiastuti, P., & Novitasari, G. (2022). Faktor-Faktor Yang Mempengaruhi Nilai Perusahaan Pada Perusahaan Manufaktur Yang Terdaftar Di BEI. *Jurnal Kharisma*, 4(1), 254–263. <https://e-journal.unmas.ac.id/index.php/kharisma/article/view/4568>
- Ayuning Putri, A. F. (2020). Faktor-Faktor Penentu Volatilitas Harga Saham Sektor Perusahaan Properti, Real Estate Dan Building Construction. *Jurnal Akuntansi Dan Keuangan*, 8(2), 109. <https://doi.org/10.29103/jak.v8i2.2563>
- Beliani, M. M. I. I., & B. M. (2015). Pengaruh Price Earning Ratio Dan Price To Book Value Terhadap Harga Saham Perusahaan Asuransi Yang Terdaftar Di Bursa Efek Indonesia Tahun 2009-2012. *Jurnal Riset Akuntansi Mercu Buana*, 1(1), 76–86. <https://doi.org/10.26486/jramb.v1i1.12>
- Dessriadi, G. A., Harsuti, H., Muntahanah, S., & Murdijaningsih, T. (2022). Pengaruh Kebijakan Dividen, Leverage dan Profitabilitas terhadap Nilai Perusahaan LQ-45 yang Terdaftar di Bursa Efek Indonesia. *Ekonomis: Journal of Economics and Business*, 6(1), 195. <https://doi.org/10.33087/ekonomis.v6i1.506>
- Dewi, S., & Paramita, R. A. S. (2019). Pengaruh Kebijakan Dividen, Volume Perdagangan, Earning Volatility, Leverage, Dan Firm Size Terhadap Volatilitas Harga Saham Perusahaan LQ45. *Jurnal Ilmu Manajemen*, 7(3), 761–771. <https://ejournal.unesa.ac.id/index.php/jim/article/view/29078>
- Ermiami, C., Amanah, D., Ansari Harahap, D., Santi Siregar, E., & Ekonomi Universitas Negeri Medan, F. (2019). Pengaruh Kebijakan Dividen Terhadap Harga Saham Perusahaan Sub Sektor Otomotif Dan Komponen Yang Terdaftar Di Bursa Efek Indonesia Periode 2008-2017. *Niaga*, 8(2). <https://doi.org/10.24114/niaga.v8i2.14366>
- Febri Safira, I., & Juliana Dillak, V. (2016). Pengaruh Eps, Retention Ratio, Dan Proporsi Dewan Komisaris Independen Terhadap Harga Saham. *Jurnal Ilmiah MEA*, 5(1), 2021. www.koran-jakarta.com
- Firdaus, I., & Kasmir, A. N. (2021). Pengaruh Price Earning (Per), Earning Per Share (EPS), Debt To Equity Ratio (DER) Terhadap Harga Saham. *Jurnal Manajemen Dan Bisnis*, 1(1), 40–57. <https://www.journal.moestopo.ac.id/index.php/jmb/article/view/1338>
- Handayani, W., & Arif, E. M. (2021). Pengaruh Pengaruh Price Earning Ratio (PER), Debt to Equity Ratio (DER), Net Profit Margin (NPM) dan Total Assets Turnover (TATO) Terhadap Harga Saham Pada PT. Unilever Indonesia Tbk Periode 2011 – 2018. *Jurnal*

Manajemen FE-UB, 9(2), 72.
<https://ejournal.borobudur.ac.id/index.php/manajemen/article/view/910>

Husen, Y., & Kharisma, F. (2020). Pengaruh Kebijakan Dividen Terhadap Harga Saham Pada Perusahaan Manufaktur di Bursa Efek Indonesia (BEI) . Borneo Student Research, Vol 1, No 2, 2020(2721–5727), 1–7.

I, K. K., Gbenga, O., & Ayobami, R. L. (2022). Effect of Dividend Policy on Share Price Movement : Focusing on Companies Listed on the Nigerian Stock Exchange Market. 6(4), 101–118.

Jannah, R., & Haridhi, M. (2016). Pengaruh Kebijakan Dividen, Earning Volatility, Dan Leverage Terhadap Volatilitas Harga Saham Pada Perusahaan Non-Financing Yang Terdaftar Di Bursa Efek Indonesia Tahun 2010-2014. In Jurnal Ilmiah Mahasiswa Ekonomi Akuntansi (JIMEKA) (Vol. 1, Issue 1).
<https://jim.usk.ac.id/EKA/article/view/761>

Juliani, M. (2021). Analisis Faktor-Faktor Yang Mempengaruhi Volatilitas Harga Saham Pada Perusahaan Non Keuangan Di Bursa Efek Indonesia. In Global Financial Accounting Journal (Vol. 05, Issue 02). <https://doi.org/http://dx.doi.org/10.37253/gfa.v5i2.6004>

Kayode I, K., Gbenga, O., & Ayobami, R. L. (2022). Effect of Dividend Policy on Share Price Movement: Focusing on Companies Listed on the Nigerian Stock Exchange Market. Financial Markets, Institutions and Risks, 6(4), 101–118.
[https://doi.org/10.21272/fmir.6\(4\).101-118.2022](https://doi.org/10.21272/fmir.6(4).101-118.2022)

Khurniaji, A. W., & Raharja, S. (2013). Hubungan Kebijakan Dividen (Dividend Payout Ratio Dan Dividend Yield) Terhadap Volatilitas Harga Saham Di Perusahaan-Perusahaan Yang Terdaftar Di Bursa Efek Indonesia. Diponegoro Journal Of Accounting, 2(1).
<http://ejournal-s1.undip.ac.id/index.php/accounting>

Leon, F. M., & Ricky. (2017). View of Analisis Pengaruh Kinerja Keuangan, Firm Size Dan Cash Flow Terhadap Return Saham Perusahaan Manufaktur Di Indonesia. Jurnal Riset Bisnis, 1(1), 19–26. <https://journal.univpancasila.ac.id/index.php/jrb/article/view/6/3>

Luthfi Safitri, A., Manajemen, J., Ekonomi, F., & Negeri Semarang, U. (2013). Pengaruh Earning Per Share, Price Earnings Ratio, Return On Asset, Debt To Equity Ratio Dan Market Value Added Terhadap Harga Saham Dalam Kelompok Jakarta Islamic Index. Management Analysis Journal, 2(2). <http://journal.unnes.ac.id/sju/index.php/maj>

M. G. P. D., M., & Prabath, U. S. (2014). The Impact of Accounting Variables on Stock Price: Evidence from the Colombo Stock Exchange, Sri Lanka. International Journal of Business and Management, 9(5). <https://doi.org/10.5539/ijbm.v9n5p125>

Maskey, S. (2022a). Specific Determinants of Share Prices: A Case Study of Listed Life Insurance Companies in Nepal Stock Exchange. Journal of Business and Management Research, 4(01), 49–60. <https://doi.org/10.3126/jbmr.v4i01.46682>

- Maskey, S. (2022b). Specific Determinants of Share Prices: A Case Study of Listed Life Insurance Companies in Nepal Stock Exchange. *Journal of Business and Management Research*, 4(01), 49–60. <https://doi.org/10.3126/jbmr.v4i01.46682>
- Maskey, S. (2022c). Specific Determinants of Share Prices: A Case Study of Listed Life Insurance Companies in Nepal Stock Exchange. *Journal of Business and Management Research*, 4(01), 49–60. <https://doi.org/10.3126/jbmr.v4i01.46682>
- Meythi, & Mathilda, M. (2012). Pengaruh Price Earnings Ratio dan Price to Book Value terhadap Return Saham Indeks LQ 45 (Perioda 2007-2009). *Jurnal Akuntansi*, 4(1), 1–21. <https://doi.org/10.28932/JAM.V4I1.351>
- Moridu, I., Fadlilah, A. H., Ernayani, R., Luwuk, U. M., & Tengah, S. (2022). Dampak Kebijakan Dividen Terhadap Kinerja Keuangan Perusahaan: Literature Review (Vol. 30, Issue 3).
- Nenobais, A. H., Sia Niha, S., & Manafe, H. A. (2022). Pengaruh Return on Asset (ROA), Return on Equity (ROE), Net Profit Margin (NPM) dan Earning Per Share (EPS) terhadap Harga Saham (Suatu Kajian Studi Literatur Manajemen Keuangan Perusahaan). <https://doi.org/10.31933/jemsi.v4i1>
- Novius, A., Ekonomi, F., Uin, S., Syarif, S., & Riau -Pekanbaru, K. (2017). Volatilitas Harga Saham (Studi Empiris pada Perusahaan Kelompok LQ45 yang terdaftar di BEI). In *Jurnal Al-Iqtishad, Edisi* (Vol. 13). <https://doi.org/http://dx.doi.org/10.24014/jiq.v13i1.4389>
- Oktaviani, P. R., & Agustin, S. (2017). Pengaruh PER, EPS, DPS, DPR Terhadap Harga Saham Pada Perusahaan Pertambangan. *Jurnal Ilmu Dan Riset Manajemen*, 6(2461–0593). <http://jurnalmahasiswa.stiesia.ac.id/index.php/jirm/article/view/729>
- Priana, I. W. K. (2017). Pengaruh Volume Perdagangan Saham, Leverage, Dan Dividend Payout Ratio Pada Volatilitas Harga Saham. *E-Jurnal Akuntansi Universitas Udayana*, 20(1), 1–29. <https://doi.org/https://doi.org/10.24843/EJA.2017.v20.i01.p01>
- Rendi, P., Ryadi, S., & Sujana, I. K. (2014). Pengaruh Price Earnings Ratio, Profitabilitas, Dan Nilai Perusahaan Pada Return Saham Indeks LQ45. *E-Jurnal Akuntansi Universitas Udayana*, 8(2), 202–216. <https://ojs.unud.ac.id/index.php/Akuntansi/article/view/8105>
- Rohmawati, I. (2017). Pengaruh Volume Perdagangan, Dividend Payout Ratio dan Inflasi Terhadap Volatilitas Harga Saham Pada Perusahaan Yang Terdaftar Dalam Indeks Lq45 Tahun 2011-2015. *Jurnal Pendidikan Dan Ekonomi*, Vol. 6. <https://journal.student.uny.ac.id/index.php/ekonomi/article/view/6071>
- Saputro, D. (2019). Pengaruh Return On Assets, Earnings Per Share Dan Book Value Per Share Terhadap Harga Saham. *Jurnal Samudra Ekonomi Dan Bisnis*, 10(2), 124–132. <https://doi.org/10.33059/JSEB.V10I2.1305>

- Shah, S. A., & Noreen, U. (2016). International Journal of Economics and Financial Issues Stock Price Volatility and Role of Dividend Policy: Empirical Evidence from Pakistan. *International Journal of Economics and Financial Issues* |, 6(2), 461–472. <http://www.econjournals.com>
- Sharif, T., Purohit, H., & Pillai, R. (2015). Analysis of Factors Affecting Share Prices: The Case of Bahrain Stock Exchange. *International Journal of Economics and Finance*, 7(3). <https://doi.org/10.5539/ijef.v7n3p207>
- Situmeang, S., & Muharam, H. (2015). Analisis Pengaruh Volatilitas Harga, Likuiditas Saham, Eps, Size Firm, Momentum Over Night Terhadap Return Saham. *Journal Of Management*, 4(2337–3792), 1–12. <https://ejournal3.undip.ac.id/index.php/djom/article/view/13203>
- Surenjani, D., Mursalini, W. I., & Yeni, A. (2023). Pengaruh Pertumbuhan Ekonomi dan Harga Saham Terhadap Pertumbuhan Laba pada Perusahaan Pertambangan Sub Sektor Logam dan Mineral yang Terdaftar di Bursa Efek Indonesia. *Jurnal Penelitian Ekonomi Manajemen Dan Bisnis (JEKOMBIS)*, Vol.2 No.1(e-ISSN: 2963-7643; p-ISSN: 2963-8194), 158–175.
- Tannia, Y. (2020). Analisis Pengaruh Debt to Equity Ratio, Debt to Asset Ratio, Price Earning Ratio dan Price to Book Value Terhadap Harga Saham Pada Perusahaan Sektor Pertanian. In *Jurnal Inovasi Bisnis dan Akuntansi* (Vol. 1). <https://doi.org/https://doi.org/10.55583/invest.v1i1.19>
- Valen, D. (2017). Pengaruh Cash Holdings, Profitability, Dan Firm Ageterhadap Firm Value Pada Perusahaan Sektor Property, Real Estate Dan Konstruksi Bangunan Yang Terdaftar Di BEI. *Jurnal FinAcc*, 2(1), 53–64. <https://journal.widyadharma.ac.id/index.php/finacc/article/view/829>
- Welkom, S. S. (2023). Apakah Kondisi Perekonomian Mempengaruhi Kebijakan Struktur Modal Perusahaan Pada Indeks Lq45? In *Jurnal Ekobis Dewantara* (Vol. 6, Issue 1).
- Yosevin Gloria Angesti, L. S. (2019). Faktor-Faktor Yang Mempengaruhi Volatilitas Harga Saham Perusahaan Manufaktur. *Jurnal Ekonomi*, 24(1), 46. <https://doi.org/10.24912/je.v24i1.450>

AUTHORS

First Author – Risa Ismah Fatimah, Student, Faculty of Economics and Business, Universitas Trisakti,

Second Author – Wahyu Angzelina Simanjuntak, Student, Faculty of Economics and Business, Universitas Trisakti,

Third Author – Natasha Abrel Ardhani, Student, Faculty of Economics and Business, Universitas Trisakti,

Fourth Author – Farah Margaretha Leon, Lecturer, Faculty of Economics and Business, Universitas Trisakti,

Correspondence Author – Wahyu Angzelina Simanjuntak, Student, Faculty of Economics and Business, Universitas Trisakti,