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THE INFLUENCE OF EARNINGS PER SHARE, DIVIDEND PAYOUT RATIO, ANDDEBT TO ASSET RATIO ON STOCK PRICES

(Empirical Study on Trading Companies Listed on the Indonesian Stock Exchange for the 2021-2022 Period)

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ABSTRACT

The stock price represents the market's valuation of a company that issues specific shares. Fluctuations in stock prices are driven by market supply and demand dynamics. According to data from the Indonesian Stock Exchange, the number of listed companies on the Exchange continues to rise, each facing diverse conditions concerning their stock prices. The researcher'sfocus is directed toward companies experiencing stagnant or declining stock prices. Among these listed companies, including trading firms, some have witnessed stock price declines of up to 69.09% from their initial prices. The objective of this study is to examine how Earnings Per Share (EPS), Dividend Payout Ratio (DPR), and Debt to Asset Ratio (DAR) impact the stock prices of trading firms listed on the Indonesia Stock Exchange (BEI) during the period spanning from 2021 to 2022.

The study's population comprised 77 trading companies listed on the Indonesian Stock Exchange (BEI) for the period spanning 2021 to 2022. Purposive sampling was utilized as the sampling technique, resulting in the selection of 69 trading companies during the specified period. The analytical method employed is multiple linear regression, along with partial hypothesis testing utilizing the t-test, with a confidence level set at 5%.

The findings of this study indicate that decreases in Earnings Per Share (EPS) and Dividend Payout Ratio (DPR) correspond to declining stock prices, whereas an increase in Debt to AssetRatio (DAR) is associated with decreasing stock prices. Specifically, Earnings Per Share (EPS)and Dividend Payout Ratio (DPR) exhibit a positive and statistically significant impact on stockprices, whereas the Debt to Asset Ratio (DAR) demonstrates a negative effect on stock prices.

Keywords: Earnings Per Share, Dividend Payout Ratio, Debt to Asset Ratio and Stock Price

INTRODUCTION

Before making decisions, the financial manager must grasp the company's financial state, a task that entails analyzing its financialreports. Beyond internal stakeholders like thefinancial manager, external parties such as potential investors and creditors also seekinsights into the company's financial health. Though their interests may diverge, they rely on information gleaned from the company's financial reports (Husnan and Enny, 2015).

According to information obtained bythe author from **KONTAN.CO.ID (2023)**, the count of companies listed on the Indonesia Stock Exchange (BEI) is on a continual rise. Based on BEI data, as of March 03, 2023, there have been 22 listed companies that have carried out an Initial Public Offering (IPO) and listed their shares on the BEI, however of the 22 issuers listed in 2023, only 12 issuers have prices higher than the initial price while 8 the price of the issuer again fell and 2 experienced stagnation. Meanwhile, the stock that experienced the deepest decline was PT Lavender Bina Cendikia, Tbk (BMBL) closing at IDR57 or down 69.68% from its initial price of IDR188, then there was PT Mitra Tirta Buwana, Tbk (SOUL) closing at IDR34 or down 69.09% from the initial priceof IDR110 and PT Cakra Buana Resources Energi, Tbk (CBRE) closed at IDR55 or down 49.07% from the initial price of IDR108. Meanwhile, the one that experienced the highest increase was PT Pelita Teknologi Global, Tbk (CHIP) closingat IDR620 or up 287.5% from the initial priceof IDR160, then there was PT Jasa BerdikariLogistics, Tbk closing at IDR272 or up 172%from the initial price at IDR100 and PT Hatten Bali, Tbk (WINE) closed at IDR282 or flying 118.60% from the initial price of IDR129.

Given the prevailing conditions, investors are required to conduct thorough fundamental and technical analyses before committing to investments. It's essential to consider factors that can impact stock prices.Earnings Per Share (EPS) serves as a crucial ratio in this regard, measuring the profit earned per share. It indicates a company's capacity to generate profit for each outstanding share (Darmadji and Fakhrudin, 2015). Earnings Per Share (EPS) offers investors insight into the profit attributable toeach unit of securities issued by a company Kasmir (2019) Earnings Per Share (EPS) serves as a measure to evaluate the effectiveness of company management in generating profits for the company's stakeholders. On the other hand, the Dividend Payout Ratio (DPR) is a metricutilized to gauge the proportion of a company's net profit disbursed to shareholders in the form of dividends. This ratio is computed by dividing the total dividends distributed by the company's net profit. Dividend Payout Ratio (DPR) can provide an indication of a company's dividend policy, as well as provide an idea ofhow much potential dividends will be received by shareholders (Hasanudin, 2022).The Debt to Asset Ratio (DAR) is a financialmetric employed to assess the relationship between total debt and total assets of a company. Essentially, it indicates the extent to which a company's assets are financed by debt or the impact of debt on asset management within the company (Kasmir, 2019).

Several studies have investigated the relationship between Earnings Per Share (EPS), Dividend Payout Ratio (DPR), and Debt to Asset Ratio (DAR) on Stock Prices. For instance, research by (Mausuly & Prasetyowati, 2022) and (Sarumpaet & Puspitasari, 2022) suggests that Earnings PerShare (EPS) exerts a positive and significantimpact on stock prices. However, (Rahmadewi & Abundanti, 2018) argue that EPS has a negative effect on stock prices.

In terms of the Dividend Payout Ratio(DPR), (Setyaningrum et al., 2023) find no positive and significant influence on stock prices, while (Silalahi & Manik, 2019) demonstrate a positive and significant effect of DPR on share prices.

Regarding Debt to Asset Ratio (DAR), research by (Christian & Frecky, 2019) and (Sarumpaet et al., 2023) suggests no influence on stock prices. Conversely, (Damayanti & Valianti, 2016) argue that Debtto Asset Ratio (DAR) negatively affects stockprices.

Stock prices in the secondary market are determined by the interplay of supply and demand, with fluctuations driven by both internal and external factors. These factors can lead to increases or decreases in stock prices, reflecting the company's conditions and financial performance. This research aims to identify the factors influencing stockprices, providing valuable insights and guidance for stakeholders who rely onfinancial reports as a reference.

LITERATURE REVIEW

Stock price

The stock price represents the present worth of future cash flows expected byshareholders. As defined by Sunariyah (2011), it is the current market price of a share on the stock exchange. Market conditions, including primary market stock prices set by underwriters and companiesgoing public (issuers), based on fundamentalcompany analysis, can influence stock prices.In stock valuation, three types of values are considered, as outlined by Tandelilin (2010):book value, market value, and intrinsic value.Book value refers to the value recorded in thecompany's books or at the time of share issuance. Market value reflects the stock price in the market. Intrinsic value representsthe true value of shares or their theoretical worth. Stock prices are subject to constant change. According to Sartono (2017), stock market prices are determined by the interplayof demand and supply in the capital market. Increased demand tends to drive up stock prices, while increased supply typically leadsto price declines.

Analysis of Stock Prices

According to Darmadji and Fakhruddin (2015), fundamental analysis is amethod used to evaluate stocks by examiningvarious indicators associated with the macroeconomic and industry conditions of acompany. This analysis involves scrutinizingfinancial indicators and assessing company management practices.

Fundamental analysis involvesdetermining whether a security is undervalued or overvalued relative to its intrinsic value at a given time. This analysis is intricately linked to the company's state, including its organizational management andfinancial performance, which are reflected inits financial metrics. Additionally, fundamental analysis aims to predict future stock prices by estimating the fundamental factors that drive those prices and examiningthe relationships between these variables to derive stock price forecasts (Husnan, 2015).

Fundamental analysis is a method of analyzing stock prices that centers on evaluating the performance of the company issuing shares and conducting economic analysis to forecast the company's prospects.(Sutrisno, 2013). In an effort to get high returns, more than usual, fundamental analysis reveals special situations using various assessment techniques. Fundamental analysis posits that each stock possesses a specific intrinsic value. This approach involves comparing the intrinsic value of a stock with its market price to ascertain whether the current share price accurately reflects its intrinsic worth (Abdul, 2015). Fundamental analysis is used to choose the best shares, while technical analysis is used to determine the right time to buy or sell shares (Sinaga, 2011).

Earnings Per Share (EPS)

Earnings Per Share (EPS) represents the income attributable to each outstanding share held by shareholders. It signifies the earnings that shareholders receive for their ownership stake in the company. EPS servesas a key profitability metric that investors closely monitor, as there typically exists a robust correlation between profit expansion and share price appreciation (Munawir, 2014).

Earnings Per Share (EPS) is a financial metric used in the market,indicating the income that shareholders earn for each share they own in the company. It reflects the profitability of the company per share and is significant for investors assessing their participation in the company.The Earning Per Share (EPS) ratio should ideally increase from year to year. Even if there is a decline, this is the result of an unfavorable business world atmosphere. Earnings Per Share (EPS) figures are typically disclosed by companies at the bottom of the income statement following Standard Financial Accounting Principles (SFAP) or PSAK – 201: Presentation of Financial Reports. This standardizes thepresentation of financial reports and ensures consistency in reporting practices across entities.

Earnings Per Share (EPS) is calculated by dividing the net profit after taxby the weighted average of shares issued. It represents the amount of profit earned by a company per share over a specific period. EPS serves as a crucial metric for investors assessing a company's potential for futuregrowth. This information offers insight into the company's current performance and its likelihood of sustaining success in the future(Mujino et al., 2021).

Dividend Payout Ratio (DPR)

The percentage of profit distributed asdividends, or the ratio of dividend payments to total profits made accessible to shareholders is known as the dividend payoutratio (DPR) (Sartono, 2017). Meanwhile, according to (Lebelaha et al., 2016) "Dividend Payout Ratio is the ratio between the dividends paid by a company (in a financial year) divided by the company's NetIncome in that financial year."

From the perspectives of the experts mentioned it can be inferred that the Dividend Payout Ratio (DPR) serves as a metric illustrating the dividends disbursed toshareholders by comparing the total dividends with the company's net incomeover a specific timeframe.

Debt to Asset Ratio (DAR)

Kasmir (2019) defines the Debt toAssets Ratio (DAR) as a metric that evaluatesa company's indebtedness by assessing the relationship between total debt and total assets. It indicates the extent to which company assets are funded by debt and the impact of debt on asset management. Hery (2016) further explains that the Debt to Assets Ratio (DAR) is employed to gauge thedegree to which a company's assets are supported by debt and the influence of company debt on asset financing.

Debt is a company's obligation to another party to pay a certain amount of money or deliver goods or services on a certain date (Jumingan, 2017). Debt iscategorized into two main types: (1) short- term debt, which encompasses all financial obligations that must be settled within 12 months, and (2) long-term debt, which involves repayment schedules extending beyond one year.

Framework

Sugiyono (2017) defines a framework of thought, or a framework of thinking, as a conceptual model depicting the relationship between theory and the multitude of factors deemed significant. Consequently, a framework of thinking represents a fundamental comprehension built upon otherfundamental understandings, serving as the cornerstone for all subsequent thoughts or theentirety of the research process.

The Effect of Earnings Per Share (EPS) onStock Prices

Earnings Per Share (EPS) represents the ratio indicating the portion of profit allocated to each share. The fluctuation of EPS over time serves as a crucial gauge to assess the company's performance for its shareholders. A higher EPS signifies the company's capability to yield substantial profits for its shareholders, whereas a lower EPS implies diminished profitability. Inprinciple, an elevated EPS tends to correlate with an upsurge in share price. EPS delineates the earnings per share in the company's currency and its future earnings potential. Augmented EPS tends toincentivize investors to augment their capitalinvestments in the company, thereby escalating demand for shares and consequentially driving up share prices (Darmaji and Fakhruddin, 2015). Several studies have been conducted by (Mausuly & Prasetyowati, 2022), (Sandiawati & Hidayati,2023), and (Girsang et al., 2019) demonstratea consistent finding: Earnings Per Share (EPS) exerts a positive and noteworthy impact on stock prices.

The Effect of Dividend Payout Ratio (DPR) on Stock Prices

Dividend Payout Ratio (DPR) is aratio that measures how large a portion of netprofit is paid as dividends to shareholders. The greater this ratio indicates the smaller theportion of retained earnings to finance the investments made by the company (Sudana, 2015). According to Sartono (2017) there areseveral factors that influence the Dividend Payout Ratio, including: Company funding needs, liquidity, borrowing capacity, condition of shareholders, and dividend stability. A low Dividend Payout Ratio value greatly influences investors' interest in investing. Investors who prioritize dividendstypically anticipate a high Dividend Payout Ratio (DPR) to stimulate an increase in stockprices. (Silalahi & Manik, 2019) indicate a noteworthy finding: the Dividend Payout Ratio (DPR) positively and significantly influences stock prices.

The Effect of Debt to Asset Ratio (DAR) onStock Prices

The Debt to Assets Ratio (DAR) is a financial metric utilized in the analysis of financial statements to illustrate the proportion of assets that are backed by debt. As Fahmi (2017) elucidates, a lower Debt to Asset Ratio (DAR) signifies higher profitability and provides greater assurance to creditors regarding the repayment of loansextended to the company. Essentially, DAR delineates the extent to which a company's assets are funded through debt financing. However, it's crucial to note that an excessivereliance on debt can introduce risks for the company. Increased debt usage to fund activities may escalate company liabilities, encompassing fixed obligations and interest payments. Conversely, debt can also present opportunities for enhancing the company's performance. According to research conducted by (Damayanti & Valianti, 2016),there's evidence indicating that the Debt to Assets Ratio (DAR) exerts a negative influence on stock prices.

The following is the framework of thought that the author presents:

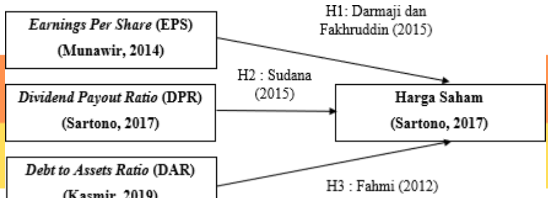


Figure 1 Framework

Research Hypothesis

The hypothesis proposed in this research is:

Ha1 There is a positive influence of Earnings Per Share (EPS) on stock prices

Ha2 There is a positive influence of the Dividend Payout Ratio (DPR) on stock prices

Ha3 There is a negative influence of Debt to Asset Ratio (DAR) on stock prices

RESEARCH METHODS

Research methods

The method utilized in this research isa causal descriptive method, as outlined by Umar (2019), the descriptive method is aresearch method that is an explanation of thevariables studied, for example about who, which, when, and where, as well as the dependence of variables on their sub- variables. Meanwhile, causal is useful formeasuring relationships between research variables or useful for analyzing how one variable influences other variables.

The descriptive method in this research will be employed to elucidate the variables under study, comprising Earnings Per Share (EPS), Dividend Payout Ratio (DPR), Debt to Assets Ratio (DAR), and Stock Prices. Conversely, the causal method will be utilized to ascertain the impact of Earnings Per Share (EPS), Dividend Payout Ratio (DPR), and Debt to Assets Ratio (DAR) on Stock Prices.

Research Objects and Variables

The research object is the entity to which distinct attributes are attributed, thereby enabling differentiation or variationsin value. These attributes can manifest atdifferent times for objects or individuals, or simultaneously for different objects or individuals (Sekaran, 2017).

The object of this research is the financial reports of companies operating in the trading sector, which are listed on the Indonesia Stock Exchange (BEI), covering the period from 2021-2022.

According to Sugiyono (2017), research variables are any elements, in any form, chosen by the researcher to be investigated to obtain information about them. The variables in this research include Earnings Per Share (EPS), Dividend Payout Ratio (DPR), Debt to

Assets Ratio (DAR), and Stock Prices.

Table 1 Purposive Sampling Result

No	Criteria	Number of Companies	Number of Financial Statements
1	Financial Reports of Trading Companies Listed on the Indonesia Stock Exchange (BEI) for the 2021-2022 Period	77	154
2	Unpublished Trading Company Financial Reports for the 2021-2022 period	(8)	(16)
The number selected becomes the sample		**69**	**138**

Source: www.idx.co.id [processed]

Variable Operationalization

1. Dependent Variable

$$\boxed{Stock\ Price = Ln\ (Stock\ Price)}$$

The variable that serves as the primary focus of the research, whose variation is studied and influenced by other variables,is referred to as the dependent variable. (Sekaran, 2017). In the context of this research, the dependent variable is stock prices. According to Husnan (2015) The stock price represents the current worth offuture cash flows anticipated by shareholders. To gauge share prices through statistical means, the following formula can be applied:

2. Independent Variable

Variables that exert influence on the dependent variable are termed independent variables. These independentvariables may have either a positive or negative effect on the dependent variable,as stated by (Sekaran, 2017).

a. Earnings Per Share (EPS)

Earnings per share (EPS) represents the income attributed to each share owned by shareholders for their stake in the company. Typically, EPS serves as a key profitability metric scrutinized by investors. Thereis commonly a robust correlation between increases in profitability andcorresponding rises in stock prices.(Munawir, 2014). The equation of Earnings Per Share (EPS) is as follows:

$$\boxed{EPS = \frac{EAT}{Number\ of\ Share\ Outstanding}}$$

b. Dividend Payout Ratio (DPR)

Dividend Payout Ratio (DPR) is the proportion of profits allocated as dividends, expressed as the ratio between dividends paid out and the total profits accessible to shareholders(Sartono, 2017). The formula for calculating the Dividend Payout Ratio(DPR) is as follows:

$$\boxed{DPR = \frac{Total\ Dividend}{EAT}}$$

c. Debt to Asset Ratio (DAR)

Debt to Asset Ratio (DAR) assesses the extent to which a company's assets are funded by debt or influenced by debt in financing assets (Hery, 2016). Kasmir (2019)describes the Debt to Asset Ratio (DAR) as a metric comparing company debt by calculating the ratiobetween total debt and total assets. The equation for Debt to Assets Ratio(DAR) is as follows:

$$\boxed{DAR = \frac{Total\ Debt}{Total\ Asset}}$$

Multiple Linear Regression Test

Multiple linear regression analysis involves examining the relationship between multiple independent variables and a dependent variable. It's a statistical method used to assess the influence of independent variables on the dependent variable (Ghozali,2017). In this analysis, data will be processedusing the Econometric Views (Eviews) version 13.0 program. The planned data analysis methods include descriptive statistical tests, classical assumption tests, multiple linear regression models, and hypothesis testing. The multiple linear regression method utilizes the followingequation for data calculation:

$$Y= \alpha + \beta 1 \text{ x } 1 + \beta 2 \text{ x } 2 + \beta 3 \text{ x } 3 + \varepsilon$$

β1,β2,β3: Regression Coefficients X1,X2,X3Y : Stock Prices
A : Constant
X1 : Earnings Per Share (EPS)
X2 : Dividend Payout Ratio (DPR)X3 : Debt to Asset Ratio (DAR)
β : Stock Prices
ε : Error

RESULT AND DISCUSSION

Table 2 Descriptive Analysis of Research Variables

Date: 04/09/24 Time: 11:51 Sample: 2021 2022				
	Stock Prices	EPS	DPR	DAR

Mean	6.188524	125.3114	0.161320	2.119042
Maximum	10.16873	6164.300	4.770376	101.8660
Minimum	3.912023	-230.3084	-3.674666	0.007373
Std. Dev.	1.512349	593.7302	0.600675	10.68038
Observations	138	138	138	138

Source: Data processing result using EViews 13.0

Based on the provided table, the average stock price for trading companieslisted on the Indonesia Stock Exchange (BEI)during 2021-2022 is 6,188 ln. The highest stock price was recorded at 10,168 ln or Rp26.075, attributed to PT United Tractors, Tbk (UNTR) in 2022, while the lowest stockprice was 3,912 ln or IDR50, associated withPT Dua Putra Utama Makmur, Tbk (DPUM)in 2022. Additionally, the average Earnings Per Share (EPS) stands at IDR125,31. The highest EPS value was reported as Rp6.164,30, attributed to PT United Tractors,Tbk (UNTR) in 2022. Conversely, the lowestEPS value was -Rp230,31, recorded for PT Hero Supermarket, Tbk (HERO) in 2021.

Next, the average Dividend PayoutRatio (DPR) is 0,161 with the highest value reaching 4,770 owned by PT Supra BogaLestari, Tbk (RANC) in 2021, while the lowest DPR value is -3,674 owned by PT Geoprima Solusi, Tbk (GPSO) in 2021. Lastly, the average Debt to Asset Ratio (DAR) was 2,119 with the highest value reaching 101,866 owned by PT Globe Kita Terang, Tbk (GLOB) in 2022, while the lowest Debt to Asset Ratio (DPR) value was 0,007 owned by PT Optima Prima Metal Sinergi, Tbk (OPMS) in 2021.

Multiple Linear Regression

Table 3 Multiple Linear Regression

Dependent Variable: Stock_Price
Method: Panel Least Squares
Date: 04/09/24 Time: 13:07
Sample: 2021 2022
Periods included: 2
Cross-sections included: 69
Total panel (balanced) observations: 138

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	6.002875	0.122062	49.17904	0.0000
EPS	0.000973	0.000192	5.066364	0.0000
DPR	0.634438	0.189895	3.340988	0.0011
DAR	-0.018216	0.010670	-1.707297	0.0451

R-squared	0.240980	Mean dependent var	6.188524
Adjusted R-squared	0.223987	S.D. dependent var	1.512349
S.E. of regression	1.332252	Akaike info criterion	3.440176
Sum squared resid	237.8360	Schwarz criterion	3.525024
Log likelihood	-233.3721	Hannan-Quinn criter.	3.474656
F-statistic	14.18116	Durbin-Watson stat	0.304889

Prob(F-statistic)	0.000000

Source: Data processing result using EViews 13.0

The regression equation illustratingthe impact of Earnings Per Share (EPS), Dividend Payout Ratio (DPR), and Debt to Asset Ratio (DAR) on Stock Prices can be expressed as:

$$\textit{Stock Prices} = 6{,}002 + 0{,}0009 EPS + 0{,}634 DPR - 0{,}018 DAR$$

Statistically, the values in the regression equation above can be interpreted as follows:

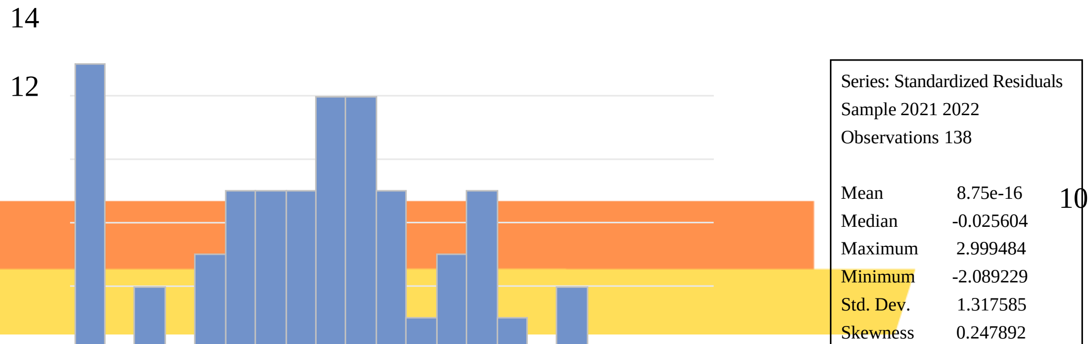
1. The constant value of 6,002 represents the predicted average stockprice when the effects of EPS, DPR, and DAR are all zero.
2. The regression coefficient for EPS is 0,0009, indicating a positive relationship. This suggests that for each unit increase in EPS, holding other independent variables constant, the predicted stock price is expected to increase by 0,0009.
3. The regression coefficient for DPR is0,634, also showing a positive relationship. This means that forevery unit increase in DPR, with otherindependent variables held constant, the predicted stock price is expected to increase by 0,634.
4. The regression coefficient for DAR is -0,018, indicating a negative relationship. This implies that for each unit increase in DAR, keeping other independent variables constant, the predicted stock price is expected to decrease by 0.018.

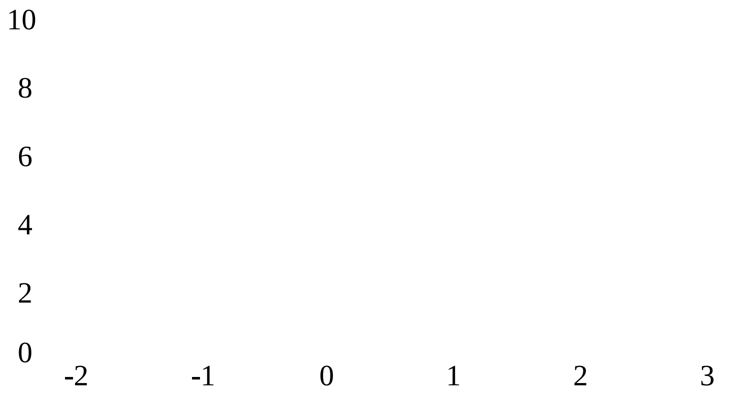
Classical Assumption Testing

a. Normality Test

The normality assumption testis conducted to assess whether theresiduals (*ei*) in the regression model adhere to a normal distribution. A robust regression model typically exhibits normally distributed residuals. The statistical technique employed for this assessment is the Jarque-Bera test, where a prob.Jb value exceeding 0.05 indicates thatthe residuals in the regression model follow a normal distribution. A summary of the test outcomes is provided in the following table:

Table 4 Normality Assumption Test Results





J-B	Prob.	Evaluation
3,479	0,175	Normal

Source: Data processing result using EViews 13.0

The results of this test show that the model has normally distributed residuals as indicated by the resulting J-b prob value of 0.175 out of 0.05 so the normality assumption has been met.

b. Multicollinearity Test

Multicollinearity refers to asituation where there exists a highly correlated relationship among one or more independent variables in the regression model. This condition canpotentially bias the regressioncoefficients. In panel data regression analysis, multicollinearity issues can be identified through the examinationof the centered Variance Inflation Factor (VIF) value. If the centeredVIF value is below 10, it indicates that the model is not affected by multicollinearity. A summary of the test outcomes is provided in the following table:

Table 5 Multicollinearity Assumption Test Results

Variance Inflation Factors
Date: 04/09/24 Time: 13:15
Sample: 1 138
Included observations: 138

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.014899	1.158416	NA
EPS	3.69E-08	1.048183	1.003170
DPR	0.036060	1.077245	1.004280
DAR	0.000114	1.042091	1.002346

Source: Data processing result using EViews 13.0

The results presented in thetable indicate that the regressionmodel is indeed free from multicollinearity issues. This conclusion is drawn from the fact thatall independent variables involved in the regression model possess Variance Inflation Factor (VIF) values smaller than 10. Therefore, the assumption ofbeing free from multicollinearity has been met.

c. Heteroscedasticity Test

The heteroscedasticity testevaluates the homogeneity of residualvariance within the regression model.One approach to detect heteroscedasticity is through the B-P-G Test, conducted by regressing the independent variable against the squared residual value (RESID^2). If the resulting prob.chi square (χ2) value exceeds 0.05, it indicates that the model is unaffected by heteroscedasticity issues. A summaryof the test outcomes is provided in thefollowing table:

Table 6 Heteroscedasticity Assumption Test Results

Heteroskedasticity Test: Breusch-Pagan-Godfrey
Null hypothesis: Homoskedasticity

F-statistic	0.651535	Prob. F(3,134)	0.5833
Obs*R-squared	1.984012	Prob. Chi-Square(3)	0.5757
Scaled explained SS	1.309938	Prob. Chi-Square(3)	0.7268

	Obs*R-squared	Prob. Chi-Sq	Result
B-P-G Test	1,984	0,575	There is no heteroscedasticity

Source: Data processing result using EViews 13.0

Based on the B-P-G Test decision- making criteria, the conclusion can be drawnthat the residual variance in the regression model is homoscedastic, or in other words, the regression model is free from heteroscedasticity issues. This conclusion is based on the probability value, where theresulting chi-square (χ2) value of 0,575 is greater than 0,05, indicating that the model does not exhibit heteroscedasticity problems.

Coefficient of Determination

The coefficient of determination isemployed to assess the extent to which the independent variable contributes to the variation observed in the dependent variable,or in other words, it represents the proportion of variance in the dependent variable that is explained by the independent variable. The summarized test results are presented in the following table:

Table 7 Coefficient of Determination

R-squared	0.240980
Adjusted R-squared	0.223987

R-squared	Adjusted R-squared	Influence of Other Factors (1-R2)
24,0%	22,3%	76,0%

Model	Standardized Coefficients	Zero-order	Partial Coefficient of Determination
	Beta		
EPS	0,382	0,398	0,382 x 0,398 x 100% = 15,2%
DPR	0,252	0,277	0,252 x 0,277 x 100% = 7,0%
DAR	-0,129	-0,149	-0,129 x -0,149 x 100% = 1,9%
Total Effect			**24,0%**

Source: Data processing result using EViews 13.0

The following is the partialmagnitude of the influence contribution. Theinterpretation for the table above is as follows:

1. EPS partially contributes an influenceof 15.2% to share prices.
2. The DPR partially contributes aninfluence of 7% to share prices.
3. DAR partially contributes aninfluence of 1.9% to share prices.

Discussion of Research Results

The Effect of Earnings Per Share (EPS) on Stock Prices

Table 8 Results of Partial Hypothesis Testing (t-Test) Effect of Earning Per Share (EPS)on Stock Prices

Model	tcount	ttable	α	Prob.t	Decision	Result
X1 → Y	5,066	1,656	0,05	0,0000	**Ha accepted**	**Significant**

Source: Data processing result using EViews 13.0

From the table above, it is known thatthe t-count value obtained is 5.066 with a probability value of 0.000 < 0.05 (*a*). If mapped in the picture in stock prices. Multiple studies conducted by(Mausuly & Prasetyowati, 2022),(Sandiawati & Hidayati, 2023), as well as (Girsang et al., 2019) have consistently demonstrated the positive and significant impact of Earnings Per Share (EPS) on stockprices.

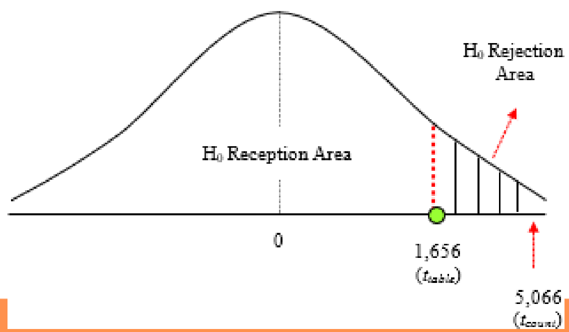


Figure 2 Partial Hypothesis 1 TestingCurve (t Test)

From the partial hypothesis testingcurve depicted in the image, it is evident thatthe t-count value of 5.066 falls within the rejection region for Ho. Thus, at a 95% confidence level, the decision is made to accept Ha and reject Ho, indicating that Earnings Per Share (EPS) exerts a significantpositive influence on Stock Prices. This implies that an increase in EPS valuecorrelates with a rise in stock prices, while a decrease in EPS value may lead to a decline

Based on the information that the author got from one of the financial reports ofa large goods trading company, namely PT United Tractors, Tbk (UNTR), it is that whena company has high Earnings Per Share (EPS), especially if the increase is quite significant, it will have an impact on increasing the company's share price. PT United Tractors, Tbk (UNTR) has Earnings Per Share (EPS) of IDR2.843,94 in 2021 andIDR6.164,30 in 2022, followed by an increase in the share price from IDR22.150,00 in 2021 to IDR26.075,00 in 2022.

This scenario illustrates that as Earnings Per Share (EPS) rises, it motivates investors to augment their capital investmentin the company, thereby stimulating increased demand. Consequently, this heightened demand drives up stock prices.

The Effect of Dividend Payout Ratio (DPR) on Stock Prices

Tabel 9 Results of Partial Hypothesis Testing (t Test) Effect of Dividend Payout Ratio (DPR) on Stock Prices

Model	tcount	ttable	α	Prob.t	Decision	Result
X2 → Y	3,340	1,656	0,05	0,0011	**Ha accepted**	**Significant**

Source: Data processing result using EViews 13.0

From the table above, it is known that the tcount value obtained is 3.340 with a probability value of 0.001 < 0.05 (*a*). If mapped in a picture of a partial hypothesis testing curve, then the area of acceptance of Ha and rejection of Ho will appear as follows:

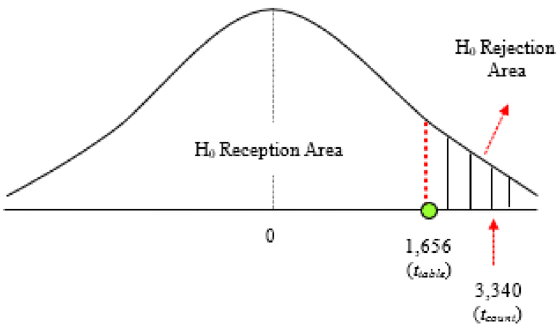


Figure 3 Partial 2 Hypothesis TestingCurve (t Test)

In the provided partial hypothesis testing curve image, the t-count value of 3,340 is observed to fall within the rejection region for Ho. Consequently, at a 95% confidence level, the decision is made to accept Ha and reject Ho, signifying that the Dividend Payout Ratio (DPR) exerts asignificant positive influence on stock prices.This suggests that an increase in the dividendpayout ratio tends to elevate the stock price value, while conversely, a decrease in the dividend payout ratio may lead to a reduction in the stock price value. Research conductedby (Silalahi & Manik, 2019) demonstrates a noteworthy finding: the Dividend Payout Ratio (DPR) exhibits a positive andsignificant impact on stock prices.

One of the trading companies listed on the Indonesian Stock Exchange is PT Supra Boga Lestari, Tbk (RANC), which is acompany with a decline in stock prices as a result of not paying dividends to shareholders. PT Supra Boga Lestari, Tbk (RANC) paid cash dividends in 2021 worth IDR46.934.625.000 with profit after tax (EAT) worth IDR9.838.767.784, thus showing a Dividend Payout Ratio (DPR) value of 4,77, meaning PT Supra Boga Lestari, Tbk (RANC) paid cash dividends to shareholders of 4,77 times the company's netprofit. Then, in 2022 PT Supra Boga Lestari,Tbk (RANC) did not pay dividends to shareholders, this was followed by a decreasein the share price from IDR1.800,00 in 2021to IDR815,00 in 2022.

This information shows that if theDividend Payout Ratio (DPR) value is low oreven if no dividend payment activities are carried out to shareholders, this will greatly affect investors' interest in investing or investing their capital in the company.Dividend-oriented investors expect a high Dividend Payout Ratio (DPR) so that stock prices will increase.

The Effect of Debt to Asset Ratio (DAR) on Stock Prices

Table 10 Results of Partial Hypothesis Testing (t Test) Effect of Debt to Assets Ratio (DAR) on Stock Prices

Model	tcount	ttable	α	Prob.t	Decision	Result
X3 → Y	-1,707	-1,656	0,05	0,0451	**Ha accepted**	**Significant**

Source: Data processing result using EViews 13.0

From the provided information, the t-count value is -1,707 with a probability valueof 0,0451, which is less than 0,05 (a). If this information is plotted on a partial hypothesis testing curve image, the acceptance area for Ha and rejection area for Ho would appear asfollows:

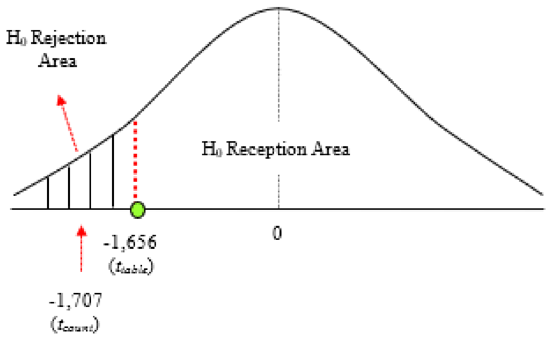


Figure 4 Partial 3 Hypothesis TestingCurve (t Test)

In the partial hypothesis testing curveimage provided, the t-count value of -1,707 falls within the rejection area for Ho.Therefore, at a 95% confidence level, thedecision is made to accept Ha and reject Ho,indicating that the Debt to Assets Ratio (DAR) exerts a significant negative influenceon Stock Prices. This implies that an increasein the debt to assets ratio is associated with adecrease in the value of stock prices, while adecrease in the debt to assets ratio may lead to an increase in the value of stock prices. Research conducted by (Damayanti & Valianti, 2016) corroborates this finding, demonstrating that the Debt to Assets Ratio (DAR) has a negative effect on stock prices.

All trading companies listed on the Indonesia Stock Exchange were utilized as research samples, PT Globe Kita Terang, Tbk(GLOB) is the company that has the highest Debt to Asset Ratio (DAR) value, namely 64,63 in 2021 and 101,87 in in 2022. The increase in the DAR value was influenced byseveral conditions that occurred in the company, one of which was an increase in total liabilities worth IDR64.872.981.485, which was originally IDR867.538.172.360 in2021 and increased to IDR932.411.153.845 in 2022 Judging from the information presented in the notes to the financial report of PT Globe Kita Terang, Tbk (GLOB) amounting to IDR69.460.336.978 (there is anincrease and decrease in accumulated liabilities from 2021 to 2022) is influenced by Accrued Expenses. The details of this information contain an increase in Bank DebtInterest and Bank Debt Fines from 2021 to 2022. Bank Debt Interest increased by IDR51.413.276.731 from originally IDR124.091.682.203 to
IDR175.504.958.934, apart from that, Bank Debt Fines increased by IDR18.119.309.930 which was originally IDR38.779.663.078 became IDR56.898.973.008.

Apart from increasing liabilities interms of interest and fines on bank debt, PT Globe Kita Terang, Tbk (GLOB) also experienced a decrease in terms of assets, namely a decrease in the value of inventory from 2021 to 2022 of aroundIDR1.499.083.730 (excluding other asset accounts the decrease is below IDR1B). Inventory details obtained from the notes to the financial report experienced the highest decline in Coffee Machines and Equipment worth IDR1.731.037.149. The author cannottrace this decline because the cause was not stated in the notes to the financial report. Theresearcher's assumption is this decline occurred due to the lack of inventory availability from suppliers, increased sales, and inventory management related to specialorders for certain machines that are still in process.

Based on the provided information, where an increase in the Debt to Asset Ratio (DAR) is followed by a decrease in stock prices from IDR214,00 in 2021 to IDR112,00in 2022, it can be concluded that increasing the company's Debt to Asset Ratio (DAR) may indeed lead to a decline in stock prices. This is highly pertinent because when a company accumulates increased liabilities tospecific parties, it indicates a rise in both fixed liabilities and interest obligations. However, it's crucial to recognize that debt can also offer opportunities for enhancing company performance, contingent upon the company's effective management of its financial obligations.

CONCLUSIONS

Based on the research findings and discussion regarding the impact of Earnings Per Share (EPS), Dividend Payout Ratio (DPR), and Debt to Asset Ratio (DAR) on Stock Prices in trading companies listed on the Indonesia Stock Exchange during the 2021-2022 period, the conclusions are as follows:

1. Earnings Per Share (EPS)demonstrates a statisticallysignificant positive influence on stockprices in trading companies duringthe 2021-2022 period.
2. Dividend Payout Ratio (DPR) exhibits a statistically significant positive influence on stock prices in trading companies during the 2021- 2022 period.
3. Debt to Asset Ratio (DAR) displays astatistically significant negative influence on stock prices in trading companies during the 2021-2022 period.

SUGGESTION

Based on the conclusions the researchers reached, the stock prices of trading companies during the 2021-2022 period were greatly influenced by severalfactors such as Earnings Per Share (EPS), Dividend Payout Ratio (DPR), and Debt to Asset Ratio (DAR). Therefore, the authorsuggests that company management should be able to monitor stock prices, where apart from paying attention to external factors thatmay occur, the company should be able to manage other factors that come internal to thecompany. This can be a consideration for companies in managing their business. In this case, the company can provide returns toshareholders, dividend distribution activities,and management of its capital structure components. Apart from that, the author advises investors and potential investors to carry out fundamental and technical analysisbefore deciding to invest, in this case, it can be seen from several conditions as previouslyexplained. Future researchers are expected tobe able to develop the variables involved in research, conduct research by combining data collection methods, expand sources, and develop research methods.

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