

## ACKNOWLEDGEMENT

May all glory be given to Jesus Christ for all the blessings He has given for me to be able to finish this thesis entitled “THE IMPACT OF CURRENT RATIO, RETURN ON EQUITY (ROE), AND DEBT TO EQUITY RATIO (DER) TOWARDS THE STOCK PRICE OF MANUFACTURING COMPANIES LISTED IN THE IDX FOR THE YEAR 2015 – 2019”. This thesis is written as a partial fulfillment of the academic requirements to obtain the degree of *Sarjana Akuntansi* from Universitas Pelita Harapan, Tangerang.

The process of writing this thesis would not be possible without the guidance, help and prayers from different parties and individuals, this thesis would not have been submitted on time. In this opportunity, the author would like to express her utmost gratitude and respect to those whose names are mentioned below:

- 1) Dra. Gracia Shinta S. Ugut, MBA, Ph.D., as the Dean of Faculty of Economics and Business, Universitas Pelita Harapan.
- 2) Dra. Wijaya Triwacananingrum, S.E., M.A., Ak., CA., CMA., CSP., as the Head of Accounting Study Program of the Faculty of Economics and Business, Universitas Pelita Harapan.
- 3) Dr Ferdinand Butarbutar B.A., M.B.A. as thesis supervisor for his time, efforts, guidance, patience, inputs and advices that greatly helps the author in completing this thesis.

- 4) Ms. Elfina Astrella Sambuaga, S.E., M.S.Ak., as current academic supervisor, and Ms. Hanna Wijaya, S.E., M.M., as previous academic supervisor, who have provided guidance and support during my studies in Universitas Pelita Harapan.
- 5) Mr. Ricky Aprilianto Mulyana, Mrs. Sandra Inawaty, Mr. Yoopi Abimanyu, Mr. Carlito M. Monzon, Mr. Danet Arya Patria, Mr. Rieswan Pangawira, Mr. Clint Tetelepta, Mr. Irwan Suarly, Mr. Septian Bayu Kristianto, Dr. Ferdinand Butarbutar, Mr. Sopar Julius Hutagalung, Mr. Aloysius Harry Mukti, Mr. Daniel Lee Kim, Mr. Andreas Bambang Daryanto, Mr. Eduard Ary Binsar Naibaho, Dr. Tanggor Sihombing, Ms. Liza Handoko, Mr. Kim Sung Suk, Ms. Golrida Karyawati P., Mr. Sahat M. Simanjuntak, Mrs. Herlina Lusmeida, Mrs. Silvia Dewiyanti, Mr. Wesley Alva Mardikin, Dr. Jonathan David King, Mr. Laba Sinuor Yosephus, Mr. Aloysius Prasetya Adiseputra, and all lecturers that names have not been mentioned, for giving guidance and sharing their knowledge for the author's three and a half years study in Universitas Pelita Harapan may it be offline and online.
- 6) Dearest Mom and Dad for their unconditional love and support throughout the author's life and during the sleepless thesis nights.
- 7) Beloved friends from Accounting International Batch 2018, namely Androjuniko, Bella Tjendriawan, Gabrielle Angelica Beatrice Inzen, Levina Concetta, Mellinda Chrislo, Olivia Swasti, Patrick Wijaya,

Reina Harano, Windy Veronica, Woo Seok Chang, and Young Ji Kim for the amazing time spent in class and the camaraderie we have throughout the years studying in Universitas Pelita Harapan.

- 8) Beloved friends from Management International Batch 2018, namely Ariella Natasya, Arifin Nur Sandi, Audrey Nathania, Axel Tilaar, Benedict Taslim, Calista Wijaya, Elnike, Elysia Poanto, Edita Sohor, Gloria Chrisanskia, Jacky Safriano, Kallista Tanady, Khennedy, Marcel Adinegara, Mario Atkins, Maxwell Jacob Lim, Michael Pratomo, Millie Walia, Nikitah Chellaram, Patrick Santoso, Rio Andiko Ang, Ronaldo Aritonang, Safara Morrow. Shamira, Vanessa Nachivon, Williams Tjiuranda, Yucelline, and Zipora Hana Sakura, for the endless support throughout the years studying in Universitas Pelita Harapan.
- 9) Beloved friends from Accounting Regular, namely Aurellia Natasya, Natasha Nathanael, Nike Hanna, and Shelly Yolanda for their support throughout all the author's university years.
- 10) Suryanti Ayuri, Bryan Jonathan, Tassya, Sherika Anastasia, Christina Teddy, Fernando Tan, and Gabriella Michelle, as author's lab assistants for their patience, guidance, and knowledge.
- 11) Audrey Tanubrata, Abigail Christi, Elishema Katheline, Gabrielle Abigail, Jessica Thalia, and Michelle Natalia for the fun times spent together which helps the author to feel refreshed.
- 12) Other parties that are not mentioned above that has given support for the author to complete this thesis.

The author also recognizes that this thesis isn't perfect, and as a result, she welcomes any feedback, criticism, suggestion, or comment on it that would help her improve. In addition, the author expects that this thesis will be valuable to all readers.

Tangerang, November 2021

Writer



## TABLE OF CONTENTS

page

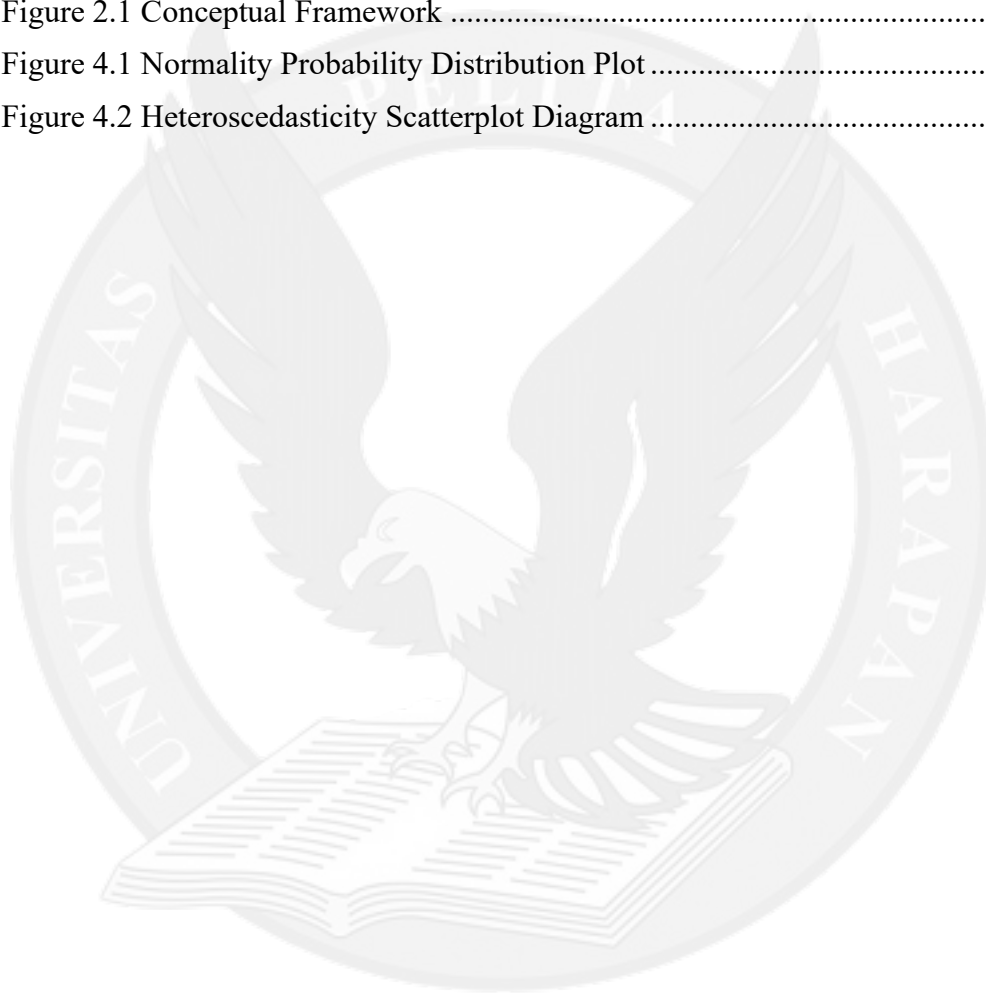
<b>FINAL ASSIGNMENT STATEMENT AND UPLOAD AGREEMENT.....</b>	<b>ii</b>
<b>THESIS APPROVAL .....</b>	<b>ii</b>
<b>THESIS DEFENSE COMMITTEE .....</b>	<b>iv</b>
<b>ABSTRACT .....</b>	<b>v</b>
<b>ABSTRAK .....</b>	<b>vi</b>
<b>ACKNOWLEDGEMENT .....</b>	<b>vii</b>
<b>TABLE OF CONTENTS.....</b>	<b>xi</b>
<b>LIST OF FIGURES .....</b>	<b>xiv</b>
<b>LIST OF TABLES .....</b>	<b>xv</b>
<b>LIST OF APPENDICES.....</b>	<b>xvi</b>
<b>CHAPTER I INTRODUCTION.....</b>	<b>1</b>
1.1 Background .....	1
1.2 Research Problem.....	10
1.3 Research Objective.....	10
1.4 Significance of the Study .....	11
1.5 Scope of the Study .....	12
1.6 Systematic Discussion.....	13
<b>CHAPTER II LITERATURE REVIEW .....</b>	<b>15</b>
2.1 Theoretical Framework .....	15
2.1.1 Signaling Theory .....	15
2.1.2 Agency Theory .....	17
2.1.3 Stock Price .....	19
2.1.4 Current Ratio .....	21
2.1.5 Return On Equity .....	21
2.1.6 Debt To Equity Ratio .....	24
2.1.7 Firm Size .....	25
2.1.8 Firm Age .....	26
2.2 Previous Studies .....	27

2.3	Conceptual Framework .....	31
2.4	Hypothesis Development .....	32
2.4.1	The Impact of Current Ratio Towards the Stock Price....	33
2.4.2	The Impact of Return on Equity Towards the Stock Price.. .....	33
2.4.3	The Impact of Debt-to-Equity Ratio Towards the Stock Price .....	35
<b>CHAPTER III RESEARCH METHODOLOGY .....</b>		<b>36</b>
3.1	Population and Sample .....	36
3.1.1	Population .....	36
3.1.2	Sample .....	36
3.2	Data Collection Method .....	38
3.3	Empirical Model.....	38
3.4	Operational Variable Definition.....	40
3.4.1	Dependent Variable .....	40
3.4.2	Independent Variable.....	41
3.4.2.1	Current Ratio .....	41
3.4.2.2	Return on Equity .....	42
3.4.2.3	Debt to Equity Ratio .....	42
3.4.3	Control Variable .....	43
3.4.3.1	Firm Size.....	43
3.4.3.2	Firm Age .....	44
3.5	Method of Data Analysis .....	44
3.5.1	Descriptive Statistical Test .....	45
3.5.2	Classical Assumption Test.....	45
3.5.2.1	Normality Test.....	45
3.5.2.2	Multicollinearity Test .....	46
3.5.2.3	Autocorrelation Test .....	47
3.5.2.4	Heteroscedasticity Test.....	48
3.5.3	Multiple Linear Regression Analysis .....	48
3.5.4	Hypothesis Testing .....	49
3.5.4.1	Coefficient of Determination ( $R^2$ ) .....	49
3.5.4.2	F-Statistics Test .....	50
3.5.4.3	t-Statistics Test.....	51

<b>CHAPTER IV ANALYSIS AND DISCUSSION .....</b>	<b>52</b>
4.1 Research Overview .....	52
4.2 Data Analysis .....	55
4.2.1 Descriptive Statistical Analysis .....	55
4.3 Classical Assumption Test .....	59
4.3.1 Normality Test .....	59
4.3.2 Multicollinearity Test .....	62
4.3.3 Autocorrelation Test .....	63
4.3.4 Heteroscedasticity Test .....	64
4.4 Multiple Regression Analysis .....	66
4.5 Hypothesis Testing .....	68
4.5.1 Coefficient of Determination ( $R^2$ ) .....	68
4.5.2 Simultaneous Significance (F-Statistics) .....	69
4.5.3 Partial Significance (t-Statistics) .....	70
4.6 Analysis of Regression .....	73
4.6.1 The Impact of Current Ratio towards Stock Price .....	73
4.6.2 The Impact of Return on Equity towards Stock Price .....	75
4.6.3 The Impact of Debt-to-Equity Ratio towards Stock Price .....	76
<b>CHAPTER V CONCLUSION AND RECOMMENDATION .....</b>	<b>79</b>
5.1 Conclusion .....	79
5.2 Implication of Results .....	80
5.3 Research Limitations .....	81
5.4 Recommendations .....	82
<b>BIBLIOGRAPHY .....</b>	<b>84</b>
<b>ATTACHMENT .....</b>	<b>85</b>

## LIST OF FIGURES

	page
Figure 1.1 Indonesia's Consumer Spending Graph for the year 2015 – 2019.....	6
Figure 2.1 Conceptual Framework .....	32
Figure 4.1 Normality Probability Distribution Plot .....	61
Figure 4.2 Heteroscedasticity Scatterplot Diagram .....	64





## LIST OF TABLES

	<b>page</b>
Table 2.1 Previous Studies.....	27
Table 3.2 Autocorrelation Test Decision Making Table (Durbin-Watson).....	47
Table 4.1 Process of Research Sampling.....	52
Table 4.2 List of Manufacturing Companies Used in this Research .....	53
Table 4.3 Descriptive Statistics.....	56
Table 4.4 One-Sample Kolmogorov-Smirnov Test .....	60
Table 4.5 Multicollinearity Test .....	62
Table 4.6 Durbin-Watson Values .....	63
Table 4.7 Heteroscedasticity Test with Glesjer Method.....	65
Table 4.8 Multiple Regression.....	66
Table 4.9 Coefficient of Determination ( $R^2$ ) Result .....	68
Table 4.10 F-Statistics Result .....	69
Table 4.11 t-Statistics Result .....	71

## LIST OF APPENDICES

	page
APPENDIX A .....	1
APPENDIX B .....	1
APPENDIX C .....	1
APPENDIX D .....	1
APPENDIX E .....	1

