



FACTORS AFFECTING THE INDIVIDUAL STOCK PRICE INDEX (IHSI) INDUSTRIAL MANUFACTURING SECTOR IN INDONESIA, AUTOMOTIVE SUB SECTORS, AND COMPONENTS IN INDONESIA STOCK EXCHANGE (IDX)

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ABSTRACT

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Current ratio (CR)

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This study aims to examine and analyze: (1) the Effect of Current Ratio (CR), Debt of Equity Ratio (DER), Return On Assets (ROA) and Return On Equity (ROE) on the Individual Stock Price Index (IHSI), (2) Effect of Current Ratio (CR), Debt of Equity Ratio (DER), Return On Assets (ROA), Return On Equity (ROE) and Individual Stock Price Index (IHSI) on Investment (INV), (3) Effect of Price Index Individual Share (IHSI) to Investment (INV). The population of this study is the Manufacturing Industry company in the Automotive and Components Industry sub-sector in Indonesia with an observation period from 2014 to 2018, consisting of a sample of 10 Automotive Industry companies and components. Data analysis techniques in this study used Panel Data Regression analysis, the regression model used was to combine cross-data data with time-series data. The results of data analysis prove that the variable Current Ratio (CR), Debt of Equity Ratio (DER), Return On Assets (ROA), Return On Equity (ROE) Simultaneous significant positive effect on the Individual Stock Price Index (IHSI), but together with or simultaneously Variable Current Ratio (CR), Debt of Equity Ratio (DER), Return On Assets (ROA), Return On Equity (ROE) and The Individual Share Price Index (IHSI) has a positive effect significant to Investment (INV), the Individual Stock Price Index (IHSI) variable has no significant impact on Investment (INV) either partially or simultaneously.

Contribution/Originality: This research contributes to existing literature by examining (1) the Effect of Current Ratio (CR), Debt of Equity Ratio (DER), Return On Assets (ROA) and Return On Equity (ROE) on the Individual Stock Price Index (IHSI), (2) Effect of Current Ratio (CR), Debt of Equity Ratio (DER), Return On Assets (ROA), Return On Equity (ROE) and Individual Stock Price Index (IHSI) on Investment (INV), (3) Effect of Price Index Individual Share (IHSI) to Investment (INV).

1. INTRODUCTION

The function of financial management is basically to make several decisions in the financial sector, especially those related to the financial performance of a company. Based on previous studies (Altman, 1968), as quoted by Susilawati (2005) shows that the financial ratios of profitability, liquidity, and solvency can predict corporate bankruptcy. The results of the study inform that the three types of financial ratios are very important to predict the viability of the company and can be used to assist investors in the selection of investments. Previous research on factors that affect stock prices shows conflicting results. Research conducted by Prihantini (2009) shows the results that ROA and CR variables have a positive and significant effect on stock returns. These studies indicate that the

current ratio as an indicator of company profitability shows a positive impact on stock prices, although the research of Auliyah and Hamzah (2006) shows results that have no effect. Natarsyah (2000) conducted a study on "Analysis of the Effects of Some Fundamental Factors and Systematic Risk on Stock Prices." The results of his research indicate that the variable ROA, ROE, DPR, DER, Book Value Per Share, and Beta Index positively influence stock prices, while research conducted by Hidayat and Manao (2000) in Pribawanti (2007) shows that DER does not affect stock prices. The results of research conducted by Surianti and Indriantoro (1999) show that the leverage ratio has no significant effect on stock prices. These studies show the inconsistency of the influence of DER as an indicator of corporate solvency on stock prices. However, research conducted by Wicaksono (2007) shows that part, only BV variables affect stock prices, while the variables ROA, ROE, DPR, DER do not affect stock prices. However, research conducted by Umayyah. And Noor (2017) showed that Current Ratio (CR) and Return On Assets partially did not significantly influence firm value, but simultaneously had a significant positive effect. These studies showed the inconsistency of influence ROA as an indicator of company profitability.

2. LITERATURE REVIEW, THINKING FRAMEWORK, AND HYPOTHESES

2.1 Literature Review

Based on the background of the problem stated above, the problem is formulated as follows:

1. How does the influence of the Current Ratio (CR) on the company's Individual Stock Price Index (IHSI) ?
2. How does the influence of the Debt of Equity Ratio (DER) on the company's Individual Stock Price Index (IHSI) ?
3. How does the influence of the Return On Assets (ROA) on the company's Individual Stock Price Index (IHSI)?
4. How does the influence of the Return On Equity (ROE) on the company's Individual Stock Price Index (IHSI)?
5. How does the influence of the Current Ratio (CR) on the company's investment (INV) ?
6. How does the influence of the Debt of Equity Ratio (DER) on the company's Investment (INV) ?
7. How does the influence of the Return On Assets (ROA) on the company's Investment (INV) ?
8. How does the influence of the Return On Equity (ROE) on the company's Investment (INV) ?
9. How does the individual stock price index (IHSI) affect investment (INV) of the company?
10. How does the influence of Current Ratio (CR), Debt of Equity Ratio (DER), Return On Assets (ROA), Return On Equity (ROE) simultaneously on the company's Individual Stock Price Index (IHSI) ?
11. How does the influence of Current Ratio (CR), Debt of Equity Ratio (DER), Return On Assets (ROA), Return On Equity (ROE), and Individual Stock Price Index (IHSI) simultaneously on the Company's Investment (INV)?
12. How does the Individual Stock Price Index (IHSI) simultaneously influence the Company's Investment (INV)?

2.2. Thinking Frameworks

The framework of thought used in this study is explained in the following figure:

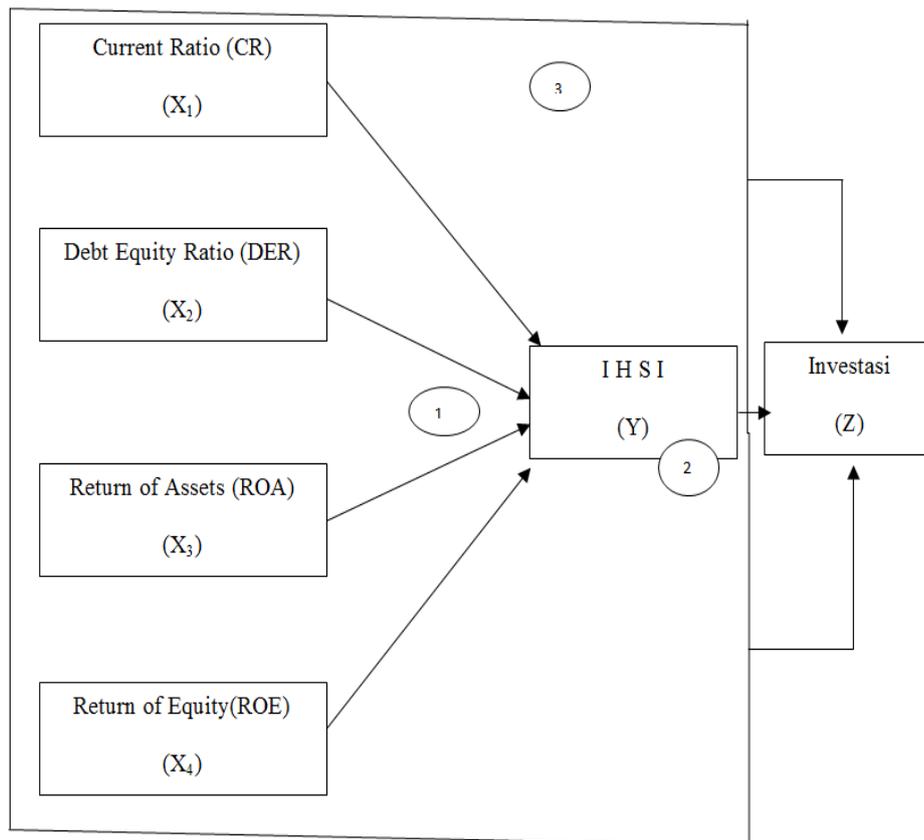


Figure-1. Framework.

Source: Data processed.

2.3. Hypotheses

Based on the above framework, the hypotheses to be tested are:

H1: Allegedly, there is a significant positive effect on the partial current ratio (CR) partially on the Individual Stock Price Index (IHSI). H2: Allegedly, there is a significant positive effect on the variable Debt of Equity Ratio (DER) partially on the Individual Stock Price Index (IHSI). H3: Allegedly, there is a significant positive influence on the variable Return On Assets (ROA) partially on the Individual Stock Price Index (IHSI). H4: Allegedly, there is a significant positive influence on the variable Return On Equity (ROE) partially on the Individual Stock Price Index (IHSI). H5: Allegedly, there is a significant positive influence on the variable Current Ratio (CR) partly on Investment (INV). H6: Allegedly, there is a significant positive effect on the variable Debt of Equity Ratio (DER) partial to Investment (INV). H7: It is suspected that there is a significant positive influence on the variable Return On Assets (ROA) partially on Investment (INV). H8: Allegedly, there is a significant positive influence on the variable Return On Equity (ROE) partially on the individual investment (INV). H9: Allegedly, there is a significant positive effect on the variable Individual Stock Price Index (IHSI) partially on Investment (INV). H10: It is suspected that there is a substantial influence on the variable Current Ratio (CR), Debt of Equity Ratio (DER), Return On Assets (ROA), Return On Equity (ROE) simultaneous effect on H11 Individual Stock Price Index (IHSI): Allegedly there is a significant influence on the variable Current Ratio (CR), Debt of Equity Ratio (DER), Return On Assets (ROA), Return On Equity (ROE) and Individual Stock Price Index (IHSI) simultaneously on Investment (INV) 12. H12: Allegedly, there is a significant influence on the variable Individual Stock Price Index (IHSI) simultaneously on Investment(INV).The research design used in this study is causal research that aims to determine the effect of two or more variables. The variables used in this study consisted of independent variables (CR, DER, ROA and ROE, dependent variable IHSI, and Investment variable (INV).

3. RESEARCH METHODOLOGY

Operational Definition and Variable Measurement Following the framework of the factors affecting the Individual Stock Price Index (IHSI) in this study are CR, DER, ROA, ROE, IHSI, and INV, titled Factors Affecting the Individual Stock Price Index (IHSI) of the Manufacturing Industry sub-sector Automotive and Component sectors from the Indonesia Stock Exchange from 2014 to 2018.

Definition Operational:

Table-1. Operational, definition, and variable measurement.

No.	Variable	Indicator	Data Source
1.	Current Ratio (CR)	$CR = \frac{\text{Current Assets}}{\text{Current Liability}}$	Annual Report
2.	Debt of Equity Ratio (DER)	$DER = \frac{\text{Total Debt}}{\text{Total Equity}}$	Annual Report
3.	Return On Asset (ROA)	$ROA = \frac{\text{Net Profit}}{\text{Total Asset}}$	Annual Report
4.	Return On Equity (ROE)	$ROE = \frac{\text{Net Profit}}{\text{Capital Stock}}$	Annual Report
5.	Individual Stock Price Index (IHSI)	$IHSI = \left(\frac{H_t}{H_0}\right) \times 100\%$	Annual Report
6.	Investment (INV)	<i>Total Amount of Investmen</i>	Annual Report

For more details, the operational definition intended in this study is:

- 1). Individual Stock Price Index (IHSI) is a stock price index, which is the leading indicator that shows the movement of stock prices listed on the stock exchange as a reference for the development of activities in the capital market. This IHSI is the price index of each stock against its basic price or measures whether the share price has increased or decreased.
- 2). The method of calculating the Individual Stock Price Index (IHSI) to calculate our shares requires a base time and a valid time. The basic price is often called H_0 , and the prevailing rate is often called H_t . The base price is set at 100%. Growth in the Individual Stock Price Index is influenced by the financial performance of a company, which includes liquidity, solvability, and profitability. Usually, investors will buy shares of a company and will consider the performance of the company, if excellent financial performance will typically boost the value of shares in the capital market.
- 3). Investment (INV) in terms of investing, investors will expect returns; returns are the results obtained from investments in the form of profits for these investors. According to [Martalena and Maya \(2011\)](#) Investment is a form of delay in consumption of the period now to obtain future use, wherein there is an element of uncertainty risk, so compensation is needed for the delay. "Based on the above investment understandings, it can be concluded that an investment is a source of funds or resources that are currently owned that are postponed and are stored for profit in the postponement of which there is a risk. Investors' consideration of investing their capital or investment is indeed inseparable from the financial performance and effective and efficient corporate governance of a company that will be considered by investors to invest in the long term.
- 4). Factors - Factors Operational definitions of several variables in this study are as follows:
 - a. Current Ratio (CR) Describes a company's ability to settle its short-term obligations. These ratios can be calculated through sources of information about working capital, namely current assets and current debt items. Current Ratio is one of the liquidity ratios. Current Ratio shows the level of security (margin of safety) of short-term creditors. However, a high current rate does not guarantee that companies will be able to pay their debts due to the proportion or distribution of unfavorable existing assets ([Munawir, 2004](#)).

b. Debt to Equity Ratio (DER) is a description of a company's ability to pay long-term obligations or obligations if the company is liquidated. These ratios can be calculated from long-term items such as fixed assets and long-term debt. Debt Equity Ratio is one of the solvency ratios. Sutrisno (2003) states that the debt to equity ratio is a balance between the debt held by a company and its capital. The higher this ratio means that there is less capital compared to debt. For companies, the amount of debt should not exceed their capital so that the fixed burden is not too high.

c. Return on Assets (ROA) and Return on Equity (ROE) According to Sartono (2010), the definition of profitability ratios is the ability of companies to earn profits in relation to sales, total assets, and own capital. Thus, long-term investors will be very interested in this profitability analysis. According to Khasmir (2014), the definition of profitability ratios is a ratio to assess the company's ability to make profits. This ratio also provides a measure of the effectiveness of a company's management. This is indicated by the profit generated from sales and investment income. The point is that the use of this ratio shows the efficiency of the company. Potential investors will carefully analyze the smoothness of a company and its ability to make a profit.

Population is an object/subject that has certain quantity and characteristics determined by the researcher to be studied, and then conclusions are drawn. Population is a collection of individuals in quality and attributes that have been determined (Sinambela, 2014). The population in this study is the automotive sub-sector and component manufacturing companies listed on the Indonesia Stock Exchange from 2014 to 2018.

The sampling method that will be used in this study is the purposive sampling method with the following criteria: Manufacturing companies of the automotive sub-sector and components are listed on the Indonesia Stock Exchange (BEI) from 2014 to 2018. Manufacturing companies of the automotive sub-sector are segments that issue reports annual financial statements that have been audited from 2014 to 2018. Automotive manufacturing sub-sector companies are components that use the rupiah (IDR) in the financial statements and annual reports. Automotive manufacturing sub-sector companies are components that have complete data on variables that will be examined from 2014 to 2018.

From these sample criteria, ten (10) companies in the automotive sub-sector manufacturing industry and components listed on the Indonesia Stock Exchange (IDX) were taken. The general equation model in this study; Panel data regression is a regression that uses observations of one or more variables in a unit continuously over several periods (Ratnasari, Putu Eka Nila Kencana, & Gandhiadi, 2014). The general panel data regression equation model, in general, is as follows in Ratnasari et al. (2014):

$$Y_{it} = \alpha_{it} + \beta_{1it} \cdot X_{it} + \mu_{it}$$

Meanwhile, the equation model for this study, with the variables X, Y, and Z are the independent variables and the dependent variable as stated in the framework of this study, the equation models obtained for this study are:

- $IHSI = \alpha_{it} + \beta_{1it} \cdot CR_{it} + \beta_{2it} \cdot DER_{it} + \beta_{3it} \cdot ROA_{it} + \beta_{4it} \cdot ROE_{it}$
- $INV = \alpha_{it} + \beta_{1it} \cdot CR_{it} + \beta_{2it} \cdot DER_{it} + \beta_{3it} \cdot ROA_{it} + \beta_{4it} \cdot ROE_{it} + \beta_{5it} \cdot IHSI_{it}$
- $INV = \alpha_{it} + \beta_{1it} \cdot IHSI_{it}$

Before panel data regression analysis, descriptive statistical analysis is performed first. The selection of the best Panel Data Model uses the chow test, the Housman test, and the Lagrange / LM multiplier. Regression models are performed using the R² Determination Coefficient, F Test, T-Test. The test level uses the specified α value of 0.05 or 5%. Testing classic assumptions using the Heteroskedasticity Test and the Multicollinearity Test.

4. RESULTS AND DISCUSSION

4.1. Results

Table-2. Descriptive analysis.

Descriptive Analysis						
	CR	DER	ROA	ROE	IHS	INV
Mean	135.0286	15.70840	10.18480	6.419600	2764.320	8.776400
Median	123.1650	1.295000	4.405000	5.195000	1797.500	8.000000
Maximum	521.1000	102.0000	72.00000	83.00000	8300.000	74.60000
Minimum	0.700000	0.100000	-13.00000	-124.0000	125.0000	-43.89000
Std. Dev.	129.5234	27.17037	16.85912	24.01379	2540.646	16.16025
Skew ness	1.161902	1.853252	1.850688	-2.523673	0.896753	1.007948
Kurtosis	4.243557	5.320544	6.056060	20.44717	2.469299	9.205308
Jarque - bera	14.47187	39.83978	47.99935	687.2488	7.288145	88.68684
Probability	0.000720	0.000000	0.000000	0.000000	0.026146	0.000000
Sum	6751.430	785.4200	509.2400	320.9800	138216.0	438.8200
Sum Sq. Dev.	822039.0	36173.22	13927.27	28256.44	3.16E+08	12796.53
Observations	50	50	50	50	50	50

Descriptive statistical calculations describe calculations in terms of average, median, maximum, and minimum. The calculation results are as follows: After testing the proper regression, the model estimation method uses the Random Effect. Multicollinearity test is recommended to see the value of the test results 0.8, so there is no multicollinearity. Heteroskedasticity Test results show that the probability of ROE is 0.0351, and it is smaller than 0.05 so that ROE is affected by heteroskedasticity. For other data, because the probability is greater than 0.05, it can be said that the variable is free from heteroskedasticity Multiple linear regression analysis using the Fixed Effect Model(FEM). Multiple Linear Regression Equations from T and F test results:

$$1. \quad \text{IHSI} = \alpha_{it} + \beta_{1it} \cdot \text{CR}_{it} + \beta_{2it} \cdot \text{DER}_{it} + \beta_{3it} \cdot \text{ROA}_{it} + \beta_{4it} \cdot \text{ROE}_{it}$$

$$\text{IHSI} = 1518.008 + 5.940053 \text{ CR} + 59.43317 \text{ DER} - 49.39042 \text{ ROA} + 2.128882 \text{ ROE}.$$

$$2. \quad \text{INV} = \alpha_{it} + \beta_{1it} \cdot \text{CR}_{it} + \beta_{2it} \cdot \text{DER}_{it} + \beta_{3it} \cdot \text{ROA}_{it} + \beta_{4it} \cdot \text{ROE}_{it} + \beta_{5it} \cdot \text{IHSI}_{it}$$

$$\text{INV} = 10.92322 - 0.021284 \text{ CR} + 0.304861 \text{ DER} - 0.566073 \text{ ROA} - 0.133035 \text{ ROE} + 0.000925 \text{ IHSI}.$$

$$3. \quad \text{INV} = \alpha_{it} + \beta_{1t} \cdot \text{IHSI}_{it}$$

$$\text{INV} = 6.374320 + 0.000869 \text{ IHSI}.$$

a.) T-test

A T-test is used to determine whether the independent variable regression model partially has a significant effect on the dependent variable. Hypothesis: Ho: partially, there is no influence of CR, DER, ROA, ROE on IHSI. Ha: There is a partial influence of CR, DER, ROA, ROE on the reaction. From the t-test results partially, there is no significant effect of CR, DER, ROA, and ROE variables on IHSI, CR, ROE, and IHSI variables have no significant effect on Investment (INV), but ROA and DER variables significantly influence Investment (INV).

b.) F test

The F test is used to determine whether the independent variables collectively have a significant influence on the dependent variable. Hypothesis: Ho: there is no significant effect of CR, DER, ROA, ROE variables on IHSI, and INV. Ha: there is significant influence of CR, DER, ROA, ROE inflation, and exchange rate variables together on the HISI and INV variables. From the F Test Results simultaneously, the CR, DER, ROA, and ROE variables significantly influence the IHSI, the CR variable < DER, ROA, ROE, and IHSI have a significant positive effect on INV, but the IHSI variable has no significant effect on Investment (INV).

4.2. Discussion

- a.) Effect of Current Ratio Liquidity (CR) on the Individual Stock Price Index, from the results of the T-test in table: 4.9 shows that the Current Ratio (CR) of 0.2117, the variable is said to have a significant effect if the probability value is less than 0.05, while the T-test results show that 0.2117 means that the Current Ratio (CR) of the independent variable has no significant positive effect on the dependent variable Individual Stock Price Index (IHSI). Current Ratio (CR), which is good; these results are the same as previous studies of [Umajyah. and Noor \(2017\)](#) which states that CR and ROA do not have a significant effect on Company Value if it is 1: 1 or 100% this means that current assets can cover all of its current debts, but it will be safer if it is above 1 or above 100% ([Harahap, 1998](#)) for creditors this is very good, but from the perspective of the investor it is less profitable because current assets are not used effectively.
- b.) The Effect of Debt of Equity Ratio (DER) Solvability on the Individual Stock Price Index, from the T-test results in table: 4.9 shows that the Debt of Equity Ratio (DER) is 0.1276, the variable is said to have a significant effect if the probability value is less than 0.05, while the test results show 0.1276 this means that the Debt of Equity Ratio (DER) of the independent variable has a non-significant positive effect on the dependent variable of the Individual Stock Price Index (IHSI). In this case for a conservative approach, the maximum debt amount is equal to own capital or Maximum DER of 100%, or in other words, DER will be better if less than 1 (one) this means that the company can repay all of its debt with the capital it has [Salim \(2010\)](#) from the results of this study amounting to 0.1276 or 12.76% of standard affects the Dependent Variable of Individual Stock Price Index (IHSI).
- c.) The Effect of Return on Assets Profitability (ROA) on the Individual Stock Price Index, from the results of the T-test in table: 4.9 shows that the Return of Assets (ROA) of 0.0839, the variable is said to have a significant effect if the probability value is less than 0.05, while the test results show that 0.0839 means the Return on Assets (ROA) of the independent variable has a positive effect that is not significant to the dependent variable Individual Stock Price Index (IHSI). From the profitability ratio side this is very good because this ratio is to assess the company's ability to seek profits and provides a measure of the effectiveness and efficient level of management of a company, the higher this ratio, the better the company ([Khasmir, 2014](#)) from the results of this study is 0.0839 or 8.39% from the good company side, but the probability is less because it must be below 0.05 or 5% has a significant effect on the Individual Stock Price Index al (IHSI).
- d.) Effect of Return on Equity Profitability (ROE) on the Individual Stock Price Index, from the results of the T-test in the table: 4.9 shows that Return of Equity (ROE) of 0.8744, the variable is said to have a significant effect if the probability value is less than 0.05, while the test results show 0.8744 means the Return on Equity (ROE) independent variable has a positive effect that is not significant to the dependent variable Individual Stock Price Index (IHSI). This profitability ratio Return on Equity (ROE) is to show the company's success in generating profits. the higher the ROE ratio, the better the ability to describe the high profitability of the company, in this study the ROE ratio of 0.8744 or 87.44% means it is good in terms of ROE ratio but does not significantly affect the dependent variable of the Individual Stock Price Index (IHSI), because it is greater than 5% or 0.05. So it can be concluded that partially Independent variables (CR, DER, ROA, ROE) have no significant effect on Dependent Variables of Individual Stock Price Index (IHSI).
- e.) While for the F test, the simultaneous effect on the dependent variable gets a value of 0.000000. This value is less than 0.05 so that all independent variables (CR, DER, ROA, ROE) have a significant positive effect on the dependent variable Individual Stock Price Index (IHSI).
- f.) The Effect of Return on Assets (ROA) Profitability on Investment (INV), from the T-test results in table: 4.18 shows that the Return of Assets (ROA) is 0.0238, it is said to have a significant effect if the probability value is less than 0.05, while the test results show Return on Assets (ROA) 0.0238 means that the probability of the variable is smaller than 0.05 which has a significant positive effect on the dependent variable Investment (INV). In addition to financial performance factors as a consideration in investing as an Investor, there is also an effective and efficient

consideration in company management (Khasmir, 2014), and Return on Assets (ROA) is very influential on investment (INV).

g.) Effect of Solvency Debt of Equity Ratio (DER) on Investment (INV), from the results of the T-test In Table: 4.18 shows that the Debt of Equity Ratio (DER) of 0.0285, It is said to have a significant effect if the probability value is less than 0.05, while the test results show a Debt of Equity Ratio (DER) 0.0285 meaning that the probability of the variable is smaller than 0.05 which has a significant positive effect on the dependent variable Investment (INV). In addition to financial performance factors as a consideration in investing as an Investor, there is also considerations effective and efficient management of the company (Khasmir, 2014) and Debt of Equity Ratio (DER) Very influential on Investment (INV).

h.) Effect of Current Ratio Liquidity (CR), on Investment (INV), from the results of the T-test in table: 4.18 shows that the Current of Ratio (CR) of 0.2187, this is said to have a significant effect if the probability value is less than 0.05, while the results of the test show the Current Ratio (CR) of 0.2787, the variable is greater than 0.05, which has a non-significant positive effect on the dependent variable Investment (INV). Investors do not see if the Current Ratio (CR) is a good impact on the investment coming into the company, but how efficient and effective management of a company, investors, will carefully analyze the smoothness of a company and its ability to generate profit or profits.

i.) Effect of Profitability on Return on Equity (ROE) on Investment (INV), from the results of the T-test in table: 4.18 shows that the Return of Equity (ROE) variable of 0.2759, It is said to have a significant effect if the probability value is less than 0.05, while the test results show Return On Equity (ROE) means the probability of the two variables is greater than 0.05 which has a positive effect that is not significant to the dependent variable Investment (INV). Investors do not see if Return On Equity (ROE) also has an impact on Investment (INV) that enters the Company, but how efficient and effective management of a company is, Investors will carefully analyze the smoothness of a company and its ability to generate profit or profits.

j.) While for the F test, the simultaneous influence (together) on the dependent variable gets a value of 0.001174. This value is less than 0.05 so that all independent variables are Current Ratio (CR), Debt of Equity Ratio (DER), Return On Assets (ROA), Return On Equity (ROE) and Price Index variables Individual stocks (IHSI) have a significant positive effect on investment dependent variables (INV). This means that the overall financial performance component Liquidity, Solvency, profitability, and stock value are considered before the Investors invest. Investors consider that overall financial performance before investing (INV).

k.) The Effect of the Individual Stock Price Index (IHSI) on Investment (INV), from the results of the T-test in table: 4.26 shows that the dependent variable Individual Stock Price Index (IHSI) of 0.3441, This is said to have a significant effect if the probability value is less of 0.05, while the results of the T-test show the Individual Stock Price Index (IHSI) 0.3441 means that the probability of the variable is greater than 0.05 which has a non-significant positive effect on the dependent investment variable (INV).

l) While for the F test, the simultaneous effect on the dependent variable gets a value of 0.344139. This value is more than 0.05 so that the dependent variable Individual Stock Price Index (IHSI), has a positive effect that is not significant to the dependent variable Investment (INV). This means that the overall financial performance component Liquidity, Solvency, profitability, and stock value are considered before the Investor invests. Either partially or simultaneously, it is not only the effect of the value of the Individual Stock Price Index (IHSI) that affects the Investment (INV).

Test the coefficient of determination of this equation obtained the value of R-squared = 0.018663. This value explains that the response variable is 1.8663%, and the rest is explained by other variables outside the model studied.

5. CONCLUSIONS, IMPLICATIONS OF RESEARCH AND SUGGESTIONS

5.1. Conclusion

- a.) Current Ratio (CR), partially has an insignificant effect on the Individual Stock Price Index (IHSI).
- b.) Debt of Equity Ratio (DER) partially has an insignificant effect on the Individual Stock Price Index (IHSI).
- c.) Return on Assets (ROA), partially has an insignificant effect on the Individual Stock Price Index (IHSI).
- d.) Return On Equity (ROE) partially has an insignificant effect on the Individual Stock Price Index (IHSI).
- e.) Current Ratio (CR), partially has an insignificant effect on Investment (INV)
- f.) Debt of Equity Ratio (DER) partially has a significant effect on Investment (INV),
- g.) Return On Assets (ROA) partially has a significant effect on Investment (INV).
- h.) Return On Equity (ROE) partially has an insignificant effect on Investment (INV).
- i.) Individual Stock Price Index (IHSI) partially has an insignificant effect on Investment (INV).
- j.) Current Ratio (CR), Debt to Equity Ratio (DER), Return on Assets (ROA), Return on Equity (ROE) simultaneously the F test has a significant effect on the Individual Stock Price Index (IHSI).
- k.) Current Ratio (CR), Debt to Equity Ratio (DER), Return on Assets (ROA), Return on Equity (ROE), and Individual Stock Price Index simultaneously the F test has a significant effect on Investment (INV).
- l) The partial or simultaneous Individual Stock Price Index (IHSI) has no significant positive effect on Investment (INV). From the overall results of the study have not shown consistency with the results of previous studies, there are significant positive effects, but there are also results that are not significant (inconsistency).

5.2. Implications of Research Results This Research has Several Implications, Including

- a.) Theoretically, this study adds empirical evidence that strengthening in Current Ratio (CR), Debt of Equity Ratio (DER), Return on Assets (ROA), Return on Equity (ROE) together significantly influences growth Individual Stock Price Index (IHSI) and Investment (INV) industrial companies in the Automotive and Components industry sectors listed on the IDX.
- b.) But individually, each of these variables has no significant effect on the growth of the Individual Stock Price Index (IHSI) and investment growth (INV), only the Return on Assets (ROA) and Debt of Equity Ratio (DER) variables which are partially significant effect on Investment (INV) in the Company for the Automotive Sub-sector Industry and its Special Components.
- c.) Practically, this research should be put into consideration for Investors in making investment decisions for a Manufacturing Industry sub-sector of the Automotive and Component Industries, not only in terms of Liquidity, Solvency, and profitability but also in terms of effective and its efficiency in managing the company.

5.3. Suggestion

- a.) For further research, it should be able to see from the aspect of other independent variables and their impact on the Individual Stock Price Index (IHSI) and Investment (INV) in the Manufacturing Industry companies and Automotive and Component Industry sub-sectors.
- b.) For further research, you should add, replace or reduce the Independent variable. Are the patterns and effects produced to be the same or different compared to this study, because of the results of the study that show different outcomes of the impact of Independent variable on the Dependent variable?
- c.) For Investors, the results of this study should be considered before investing, financial performance as a whole as well as effective and efficient in running the company's business wheels becomes the main consideration.

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