



Contribution of Return on Assets, Debt to Equity Ratio, and Book Value to Stock Return

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Abstract. This study was conducted to examine the effect of Debt Equity Ratio (DER), Return on Assets (ROA), and Book Value (BV) on stock returns. The sampling technique used was purposive sampling from a population of 30 Food and Beverage industrial companies and seven companies that met the sample criteria. The data was obtained from the publications of the Indonesia Capital Market Directory (ICMD) and the Indonesian stock exchange (Idx). The data analysis method used in this research is multiple regression analysis of panel data. Panel data regression is a regression technique that combines cross-section and time-series data, in which the same cross-sectional unit is measured at different times. The hypothesis tests are the F test (goodness of fit), the t-test, and the coefficient of determination. The results of panel data regression analysis show the regression model is declared feasible or goodness of fit, return on assets has a significant negative effect on stock returns, debt to equity ratio and book value has no impact on stock returns, and the three variables in this study can explain their contribution to stock returns of 37.71 percent.

Keywords: Return on Assets · Debt to Equity Ratio · Book Value · Stock Return

1 Introduction

The share price is the share value formed from each share's buying and selling activities in the capital market. Changes in stock prices are important for investors because investors consider the price of existing shares before investing in these shares. The formation of share prices must be at a fair price for all shares traded on the stock exchange. Investors must be able to analyze stock prices because stock prices always change at any time. Changes in stock prices can show how much investors obtain stock returns. *Return* is the result of investment (Jogiyanto, 2017: p. 283) for shareholders due to their investment activities in certain companies. The stock return of a company cannot be separated from the company's capital structure. This is because the company's capital structure can show the company's financial condition. Hence, the factors that can affect stock returns are fundamental factors and the company's capital structure.

Income from stock investment or return can be in the form of dividends and capital gains. Dividends are revenues from the company that comes from distributed profits,

while capital gains are income obtained from the difference in share prices. If the difference in the stock price is negative, it means that investors experience a capital loss and vice versa. Conversely, if the difference in the share price is positive, it means that the investor experiences a capital gain.

The stock price is a reference for investors to invest because the higher the stock price, the higher the company's value. Conversely, the company's value will also be lower if the stock price is lower. Therefore every company that issues shares must pay attention to the stock price in the capital market. Stock prices often fluctuate according to supply and demand levels. Because stock prices fluctuate, an investor who invests must know whether the stock price in the market reflects the company's true value. An investor must also be more active in observing the development of stock prices and the company's financial ratios. It aims to determine whether the stock price offered is too high (overvalued) or too cheap (undervalued).

Investors need information that is fundamental or technical. Fundamental analysis is a historical analysis of the financial strength of a company, where this process is often referred to as company analysis. At the same time, technical analysis is an attempt to estimate stock prices by observing changes in stock prices in the past.

Fundamental factors are related to the condition of a company, where this variable is calculated using Return on Investment (ROI), Price Earning Ratio (PER), Price to Book Value (PBV), and Operating Profit Margin (OPM). Return on Investment is the ratio used to measure the profits obtained by the company from its Investment. Price Earning Ratio is the ratio used to determine whether a stock is over value (expensive) or undervalued (cheap) (Widoatmodjo, 2008). Price to Book Value is the ratio used to describe the size of the market appreciating the book value of the company's shares (Wulandari, 2009). These fundamental factors are used to see the company's performance from each calculation of its financial ratios. Good results from each ratio, the company's performance is also good.

Debt to Equity Ratio (DER) is a ratio that shows the company's ability to pay all its debts, and this ratio shows the solvency of a company (Harjito & Martono, 2012). DER describes the ratio comparison between total debt, both short-term debt (current liability) and long-term debt (long-term debt), to the company's equity. The larger the DER, the greater the business's capital structure, using debt rather than capital. The higher the DER, the greater the proportion of debt to capital, thus reflecting the relatively high risk of the company, so that the risk borne by investors is also higher. In today's business world, companies cannot rely on capital that comes from internal companies alone. However, to be able to increase their productivity, companies also need capital that comes from debt.

Return on Assets (ROA) is the company's ability to earn a profit. The higher the profit earned by the company, it can attract investors to invest in the company. Therefore, companies with large ROA attract investors to invest their funds in the company. This is because a large ROA indicates a better stock performance, namely a large ROA, the stock price increases, then the stock return also increases.

Book Value (BV) is also one of the profitability ratios used as an analytical tool to determine a company's profitability level. Book Value (BV) is a ratio that divides total equity by total shares outstanding (Hartono, Jogiyanto, 2017).

2 Literature Review

Research conducted by Nanan Karyadi, Rita Rita (2021) states that Earning Per Share, Price Earning Ratio, Company Size and Profit Growth have no significant effect on Stock Return, while Return on Equity has a significant effect on Stock Return. Pandaya Research, Pujihastuti Dwi Julianti, Imam Suprpta (2020) the results of the study stated that EPS had a significant negative effect on stock returns, PER and PBV had a significant positive effect on stock returns, ROE and DER had no significant effect on stock returns and DPR had a negative effect on stock returns. The research of Sheilla Nurlailly Insani, Nancy Nurinasari, Laili Ayu Sa'diah, Denny Oktavina Radianto (2019) the results show that the ratio of EPS, ROE, DER, and ROA has no significant effect on property and real estate stock returns listed on the Indonesia Stock Exchange.

Isnaeni Rokhayati's (2020) research shows that Net Interest Margin (NIM) has a significant positive effect on Return On Assets (ROA), Non Performing Loans (NPL) has a significant negative effect on profitability (ROA), Loan To Deposit Ratio (LDR) does not has no effect on Return On Assets (ROA), and Capital Adequacy Ratio (CAR) has no effect on profitability (ROA. Research by Ni Putu Radita Audi Audi, Wahidahwati Wahidahwati (2021) shows that business risk and growth opportunity have no effect on capital structure, positive investment decisions significant effect on capital structure, capital structure and growth opportunity have no effect on firm value, significant negative business risk on firm value, significant positive investment decisions on firm value, capital structure cannot be an intervening variable Research Kastelia Azaria, Muslichah Muslichah (2021) entitled "Influence of Corporate Governance on dap Firm Value with Earnings Management as a Mediation Variable" "the results show that corporate governance as proxied by managerial ownership has a negative effect on firm value, corporate governance proxied by the audit committee has a positive effect on firm value, corporate governance as proxied by managerial ownership has no effect on earnings management, corporate governance as proxied by the audit committee has no effect on earnings management, earnings management has a positive effect on firm value, earnings management cannot mediate the effect of corporate governance proxied by managerial ownership on firm value, earnings management cannot mediate the effect of corporate governance proxied by audit committee on firm value.

The research of Sri Yuli Waryati, Fathonah Eka Susanti, and Sarastuti Wahyuningrum (2022) entitled "The Impact of Firm Value on Capital Structure, Profitability, and Firm Size" Proxied by Debt to Equity Ratio (DER), profitability as proxied by Return on Equity (ROE), and firm size as proxied by Total Assets (TA) all have a significant positive effect on firm value proxied by Price to Book Value (PBV). Fajriatul Mubarakah's research, Novi Permata Indah (2021) entitled "The Effect of Investment, Funding, and Dividend Decisions on Firm Value for the 2014–2018 Period" the results show that investment and funding decisions have a significant effect on firm value, while dividends have no significant effect on firm value. Simultaneously, it is known that investment, funding, and dividend decisions significantly affect firm value, and the coefficient of determination is 76.6%. Fathonah Eka Susanti's research, Titi Laras (2021) entitled "Analysis of PER, DER, and ROA on the Textile Companies' Performance Listed on the Indonesian Stock Exchange." The results of this study state that the price earning ratio, debt to equity ratio,

and return on assets have a jointly and partially significant effect on the share price of the textile industry sub-sector on the Indonesia Stock Exchange in 2005–2012.

Image Research Pebri Sukmayanti (2022) the results of the study can show that the price earning ratio has a positive effect on return on assets, the debt to equity ratio has no effect on return on assets, current ratio and debt to equity ratio simultaneously affect the return on assets, current ratio has a positive effect on the price to book value, debt to equity ratio hurts price to book value, return on assets has a positive effect on the price to book value, and the current ratio, debt to equity ratio and return on assets simultaneously affect the price to book values.

This study also shows that return on assets can mediate the relationship between the current ratio to price to book value, and return on assets cannot mediate the relationship between debt to equity ratio to price to book value. Helma Malini, Dyen Natalia, Giriati Giriati's (2021) research results show that institutional ownership has a positive effect on Tobin's q and market book value, Tobin's q and market book value is negatively affected by foreign ownership, Board of Commissioners and Audit Committee meetings harm stock price returns, meetings of the board of directors, audit committee, and the board of commissioners have no impact on firm value. Based on these findings, it can be concluded that the results of testing the independent variables on the dependent are not convincing and need to be questioned further.

Effect of Debt to Equity Ratio on Stock Return

Debt to Equity Ratio is a debt ratio that is described by comparing all short-term and long-term debt, with the company's capital. A high level of DER indicates that the composition of total debt (short-term debt and long-term debt) is greater when compared to the total equity, thus causing the company's burden to be greater on external parties (creditors). According to Ang (1997), the higher the DER value, the higher the risk the company must bear by using its capital if it suffers a loss.

If the total debt is greater than the capital, then what happens is that the company will get a low rate of return because too much debt will make the company have a big risk, such as being difficult to pay off its debts and vice versa if the company's capital or equity is greater than the total debt, the high rate of return.

Pandya's research, Pujihastuti Dwi Julianti, Imam Suprpta (2020) the results of the study stated that EPS had a significant negative effect on stock returns, PER and PBV had a significant positive effect on stock returns, ROE and DER had no significant effect on stock returns and DPR had a negative effect on stock returns. Therefore, based on the results of these studies, in this study the following hypotheses were developed:

H1: Debt to Equity Ratio has a significant negative effect on stock returns

Effect of Return On Assets on Stock Return

ROA is used to measure the ability of the company's management to obtain profits generated from the company's total assets. ROA shows the company's effectiveness in generating profits by optimizing its assets. The higher the profit generated, the higher the ROA, which means that the company is more effective in using assets to generate profits.

Suppose the income after tax is higher than the total assets or assets. In that case, the return or the rate of return on profits is higher because the company can use its assets well so that it can generate profits, but if the total assets or assets are higher than the income after tax, then the rate of return of profits or low returns.

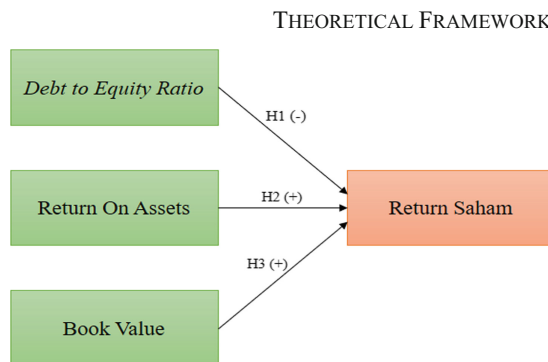
The research of Sheilla Nurlailly Insani, Nancy Nurinasari, Laili Ayu Sa'diah, and Denny Oktavina Radiant (2019) shows that the ratio of EPS, ROE, DER, and ROA has no significant effect on property and real estate stock returns listed on the Indonesia Stock Exchange. Based on the results of these studies, in this study the following hypotheses were developed:

H2: Return on Assets has a significant positive effect on stock returns

Effect of Book Value on Stock Return

Book Value represents the amount of assets/equity owned by the company. Normally, the book value of a company continues to rise along with the increase in the company's performance and vice versa, so the book value is important to determine the capacity of the price per share of a share. Pandya research, Pujihastuti Dwi Julianti, Imam Suprpta (2020) the results of the study stated that EPS had a significant negative effect on stock returns, PER and PBV had a significant positive effect on stock returns, ROE and DER had no significant effect on stock returns and DPR had a negative effect on stock returns. Therefore, based on the results of these studies, in this study the following hypotheses were established:

H3: Book Value (BV) has a significant positive effect on Stock Return



3 Research Method

Population and Sample

The population in this study are companies in the Food and Beverage industry, with as many as 30 companies listed on the Indonesia Stock Exchange from 2014 to 2019.

The sampling technique was carried out using the purposive sampling method with the following criteria:

- Food and Beverage industry companies consistently listed on the Indonesia Stock Exchange from 2015 to 2019. Shares of Food and Beverage companies that are actively traded in the 2015–2019 period on the IDX
- The required financial data is obtained in the financial statements during the 2015–2019 research period. After sampling, there are seven companies that meet the criteria

Data analysis

Analysis of the data used in this study is a multiple regression analysis of panel data. Panel data regression is a regression technique that combines cross-section and time-series data, where the cross-section and time-series units are measured at different times. So, in other words, panel data is data from several units observed in a certain period.

The panel data regression test in this study was used to determine the relationship between 3 independent variables, namely Return on Assets (ROA), Debt to Equity Ratio (DER), and Book Value (BV), on the dependent variable of stock returns.

The panel regression equation in this study:

$$Y_{it} = \alpha + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + e$$

Keterangan:

- Y : Stock returns
 α : Constant
 β : Regression Coefficient
e : Error term (estimate error)
X1 : Debt to Equity Ratio (DER)
X2 : Return on Asset (ROA)
X3 : Book Value (BV)
I : Company
T : Time

4 Results

Panel Data Regression Model Selection Test

There are three approaches to panel data: the Common Effect, Fixed Effect, and Random Effects. Fixed Effect is a model that can show constant differences between objects, even with different regressor coefficients. Random Effects are used to overcome the weaknesses of the fixed effects model that uses pseudo-variables so that the residual random effects model is thought to have a relationship between time and between objects.

Common Effect Models

The simplest technique for estimating panel data combines time series and cross-section data. By simply combining the data without looking at the differences between time and individuals, we can use the OLS method to estimate the panel data model. This method

Table 1. Regression Results with Common Effect Model

Dependent Variabel RETURN
Method: Panel Least Squares
Date: 07/10/21 Time: 15:11
Sample: 2015 2019
Periods included: 5
Cross-sections included: 7
Total panel (balanced) observations: 35

Variable	Coefficient	Std. Error	t-Statistic	Prob.
DER	0.000205	0.007149	0.028666	0.9773
ROA	-0.000383	0.000314	-1.217801	0.2325
BV	-5.74E-07	3.99E-07	-1.437407	0.1606
C	0.011158	0.006655	1.676729	0.1037
Root MSE	0.019015	R-squared		0.118593
Mean dependent var	0.005140	Adjusted R-squared		0.033296
S.D. dependent var	0.020550	S.E. of regression		0.020205
Akaike info criterion	-4.858600	Sum squared rised		0.012655
Schwarz criterion	-4.680846	Log likelihood		89.02550
Hannan-Quin criter.	-4.797239	F-statistic		1.390348
Durbin-Watson stat	1.390404	Prob(F-statistic)		0.264184

Table 2. Regression Results with Fixed Effect Model

Dependent Variabel RETURN
Method: Panel Least Squares
Date: 07/10/21 Time: 15:12
Sample: 2015 2019
Periods included: 5
Cross-sections included: 7
Total panel (balanced) observations: 35

Variable	Coefficient	Std. Error	t-Statistic	Prob.
DER	0.006842	0.006055	1.129987	0.2692
ROA	-0.000804	0.000303	-2.652504	0.0137
BV	-1.84E-07	3.99E-07	-0.501591	0.6203
C	0.009827	0.005892	1.667883	0.1078
Effects Specification				
Cross-section fixed (dummy variables)				
Root MSE	0.013706	R-squared		0.542048
Mean dependent var	0.005140	Adjusted R-squared		0.377186
S.D. dependent var	0.020550	S.E. of regression		0.016217
Akaike info criterion	-5.170499	Sum squared rised		0.006575
Schwarz criterion	-4.726114	Log likelihood		100.4837
Hannan-Quin criter.	-5.017097	F-statistic		3.287881
Durbin-Watson stat	2.591615	Prob(F-statistic)		0.008900
Root MSE	0.016415	R-squared		0.152493
Mean dependent var	0.003383	Adjusted R-squared		0.070475
S.D. dependent var	0.018091	S.E. of regression		0.017442
Sum squared rised	0.009431	F-statistic		1.859292
Durbin-Watson stat	1.804837	Prob(F-statistic)		0.157074
Unweighted Statistics				
R-squared	0.100991	Mean dependent var		0.005140
Sum squared rised	0.012908	Durbin-Watson stat		1.318725

is known as Common Effect estimation. This approach needs to pay attention to the individual dimensions and time (Table 1).

Fixed Effect Model

The fixed effect model is a technique for estimating panel data using dummy variables to capture differences in intercepts. This model assumes that the regression coefficient (slope) remains between companies over time (Table 2).

Random Effect Model

Table 3. Regression Results with Random Effect Method

Dependent Variabel RETURN

Method: Panel Least Squares

Date: 07/10/21 Time: 15:12

Sample: 2015 2019

Periods included: 5

Cross-sections included: 7

Total panel (balanced) observations: 35

Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
DER	0.006842	0.006055	1.129987	0.2692
ROA	-0.000804	0.000303	-2.652504	0.0137
BV	-1.84E-07	3.99E-07	-0.501591	0.6203
C	0.009827	0.005892	1.667883	0.1078
Effects Specification				
			S.D	Rho
	Cross-section random		0.008294	0.2073
	Idiosyncratic random		0.016217	0.7927
Weighted Statistics				
Root MSE	0.016415		R-squared	0.152493
Mean dependent var	0.003383		Adjusted R-squared	0.070475
S.D. dependent var	0.018091		S.E. of regression	0.017442
Sum squared rised	0.009431		F-statistic	1.859292
Durbin-Watson stat	1.804837		Prob(F-statistic)	0.157074

Table 4. Chow test

Redundant Fixed Effects Tests

Equation: Untitled

Test cross-sections fixed effects

Effects Specification	Statistic	d.f.	Prob.
Cross-section F	3.852803	(6,25)	0.0074
Cross-section Chi-square	22.916459	6	0.0008

The random effect model is a panel data regression estimation method using the assumption that the slope of the constant and intercept differ between time and individuals. This model is also often called the error component model. The right method used to estimate the random Effect is Generalized Least Square (GLS) as the estimate because it can increase the efficiency of Least Square estimation (Table 3).

Panel Data Regression Analysis

Chow test

The Chow test is conducted to compare or choose the best model between common and fixed effects. The hypothesis that occurs in the test - Chow:

H0: common effect model

H1: fixed effect model

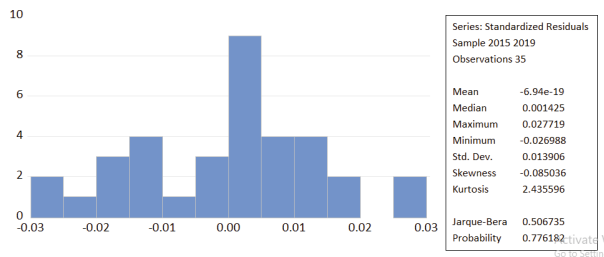
If the value of cross section F probability > 0.05, then the chosen model is a common Effect, but if <0.05, the model chosen is a fixed Effect.

Table 5. Uji – Hausman

Correlated Random Effects – Hausman Test
Equation: RE
Test cross-sections fixed effects

Test Summary	Chi-Sq Statistic	Chi-Sq d.f.	Prob.
Cross-section Random	7.859243	3	0.0490

Table 6. Normality test



In Table 4 data, the probability F cross section value is 0.0074. Thus the right panel data method between the Common Effect Model and the Fixed Effect Model is the Fixed Effect Model because the probability F value is less than 0.05, then H0 is rejected, and H1 is accepted. Furthermore, if the Chow Test chooses to use the Fixed Effect Model, it is necessary to carry out the next test, namely the Hausman Test, to choose between the Fixed Effect Model and the Random Effect Model.

Hausman test

The Hausman test is an analysis conducted to determine the best method in panel data regression, whether by using the Fixed Effect Model or the Random Effect Model.

From Table 5, the P-Value value is 0.0490, where the value is less than 0.05. So the Hausman test shows that H0 is rejected, which means the best estimation method is the Fixed Effect Model.

Classical Assumption Basic Test

Normality

The normality test is intended to test whether the regression model’s standardized residual value is normally distributed. Therefore, the non-fulfillment of normality is generally due to the abnormal distribution of the analyzed data because there are extreme values in the data taken. The hypotheses in the normality test are:

H0: data is normally distributed

H1: data is not normally distributed

Table 7. Multicollinearity Test

	DER	ROA	BV
DER	1.000000	0.345028	-0.174213
ROA	0.345028	1.000000	0.073936
BV	-0.174213	0.073936	1.000000

From the results of Table 6, the normality test value shows the Jarque-Bera value of 0.506735 with a p-value of 0.776182 where > 0.05 , so H_0 is accepted, and H_1 is rejected, which means the data is normally distributed.

Multicollinearity

The multicollinearity test aims to test whether, in the formed regression model, there is a high or perfect correlation between the independent variables. Multicollinearity is done to see the linear relationship between the independent variables in a regression. To detect the problem of multicollinearity in the regression model, one of which is by testing the correlation coefficient between the independent variables. If the correlation coefficient is above 0.85, then it is suspected that there is multicollinearity in the model (Widarjono, 2013).

Based on Table 7, it can be seen that the value of the relationship between one independent variable to another independent variable does not exceed 0.85, or the relationship between one independent variable and other variables are < 0.85 . Therefore, the data in this study does not have a multicollinearity problem.

Heteroscedasticity

To examine the presence or absence of heteroscedasticity symptoms in a model, a hypothetical design was built as follows:

H_0 : there is no heteroscedasticity

H_1 : heteroscedasticity occurs

Based on Table 8, it can be seen that the probability value of the Breusch-Pagan LM test result is 0.2203; the value is greater than 0.05 (5%), which means that H_0 is accepted. So it can be concluded that the data in this study does not contain heteroscedasticity.

Panel Data Regression Analysis Results

Based on the results of panel data regression analysis with the fixed effect model, the following equation is obtained:

$$\text{Stock Return} = 0.009827 + 0.006842\text{DER} - 0.000804\text{ROA} - 0.000000184\text{BV}$$

Test (goodness of fit) and Hypothesis Testing.

Based on the Chow and Hausman test results, the selected panel data estimation model is the Fixed Effect Model. Furthermore, the significance test of the selected model was carried out.

Regression Model Feasibility Test – F Test (goodness of fit).

Table 8. Heteroscedasticity Test

Residual Cross-Section Dependence Test
Null hypothesis : No cross-section dependence (correlation) in residuals
Equation : CH
Periods : included : 5
Cross-sections included : 7
Total panel observations : 35
Cross-section effect were removed during estimation

Test	Statistic	d.f.	Prob.
Breusch-Pagan LM	25.64471	21	0.2203
Pesaran scaled LM	0.716694		0.4763
Bias-corrected scaled LM	-0.158306		0.8742
Pesaran CD	-0.946110		0.3441

Table 9. Panel Data Regression Analysis Results

Dependent Variabel RETURN
 Method: Panel Least Squares
 Date: 07/10/21 Time: 15:12
 Sample: 2015 2019
 Periods included: 5
 Cross-sections included: 7
 Total panel (balanced) observations: 35

Variable	Coefficient	Std. Error	t-Statistic	Prob.
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Root MSE	0.013706	R-squared		0.542048
Mean dependent var	0.005140	Adjusted R-squared		0.377186
S.D. dependent var	0.020550	S.E. of regression		0.016217
Akaike info criterion	-5.170499	Sum squared resid		0.006575
Schwarz criterion	-4.726114	Log likelihood		100.4837
Hannan-Quin criter.	-5.017097	F-statistic		3.287881
Durbin-Watson stat	2.591615	Prob(F-statistic)		0.008900

The goodness of fit test (model feasibility test) was carried out to measure the accuracy of the sample regression function in estimating the actual value statistically (Ghozali, 2016). The goodness of fit model can be measured from the statistical value of F, which shows whether all the independent variables included in the model have a joint influence on the dependent variable. Test criteria:

P-value < 0.05 indicates that this model test is feasible for research.

P-value > 0.05 indicates that this model test is unsuitable for research use.

As seen from Table 9, the Prob value (F-statistic) is 0.008900, which is smaller than the significance level, which is 0.05. Thus, H0 is rejected, and H1 is accepted, which means that the regression model in this study is stated to be appropriate (goodness of fit).

Table 10. Adjusted R^2 . Test

Root MSE	0.013706	R-squared	0.542048
Mean dependent var	0.005140	Adjusted R-squared	0.377186
S.D. dependent var	0.020550	S.E. of regression	0.016217
Akaike info criterion	-5.170499	Sum squared resid	0.006575
Schwarz criterion	-4.726114	Log likelihood	100.4837
Hannan-Quin criter.	-5.017097	F-statistic	3.287881
Durbin-Watson stat	2.591615	Prob(F-statistic)	0.008900

t-test

The t-statistical test shows how much influence the explanatory/independent variable has in explaining the variation of the dependent variable. For example, suppose the calculated ProbProb.t value (indicated in ProbProb.) is smaller than the error rate (alpha) of 0.05 (which has been determined). In that case, the independent variable significantly affects the dependent variable. In contrast, if the calculated ProbProb.t value is greater than an error rate of 0.05, it can be said that the independent variable has no significant effect on the dependent variable (Iqbal: 2015).

The following is the t-test of each independent variable and control on the dependent variable:

Variable Debt to Equity Ratio (DER)

Looking at the output results in Table 9, the coefficient of the independent variable Debt to Equity Ratio is 0.00842 with a probability value of 0.2692. So with this value, the probability value is $0.2692 > 0.05$. So it can be concluded that the DER variable does not affect Stock Return.

Variable Return on Asset

Looking at the output results in Table 9, the coefficient value of the independent variable Return on Assets is -0.000804 with a probability value of 0.0137. With this value, it can be concluded that the p-value is $0.0137 < 0.05$, so the Return on Assets variable significantly negatively affects Stock Return. The resulting negative sign can be interpreted that if the Return on Assets level increases by 0.01, the stock return will decrease by 0.000804 assuming other variables are held constant.

Variable Book Value per Share

Looking at the output results in Table 9, the variable coefficient of Book Value per Share is 0.0000000184 with a probability value of 0.6203 > 0.05 . With this value, it can be concluded that BV does not affect Stock Return.

Coefficient of Determination Test (Adjusted R^2)

The coefficient of determination (R^2) is used to explain how big the variation of the independent variable explains the proportion of variation in the dependent variable. The value of the coefficient of determination lies between 0 and 1. The closer the number is to 1, the better the regression line is because it can explain the actual data. The closer it is to 0, the lower the regression line is.

The value of Adjusted R^2 or Adjusted R-squared Table 10 shows the number 0.377186, which means that the ability of the independent variable to explain the dependent variable is 37.7186%, and the remaining 62.2814% is influenced by other factors not included in the model. The relationship of independent variables (DER, ROA, BV) can be used to predict stock returns. Then the remaining 62.2814 is influenced by other factors not included in this research model.

5 Discussion and Conclusion

Variable Debt to Equity Ratio (DER)

The variable debt-to-equity ratio has a probability value of 0.2692; using a confidence level ($\alpha = 5\%$), it can be concluded that the decision taken is to reject the alternative hypothesis. In other words, DER does not affect stock returns. This study supports the research of Pandya, Pujihastuti, Dwi Julianti, and Imam Suprpta (2020). The results of the study stated that EPS had a significant negative effect on stock returns, PER and PBV had a significant positive effect on stock returns, ROE and DER had no significant effect on stock returns, and DPR had a significant positive effect on stock returns. Negative on stock returns.

The results of this study indicate that investors have a different view of DER's assessment of stock returns. Debt to Equity Ratio describes the company's capital structure used as a source of funding. When the DER value is high, the higher composition of the company's debt compared to its capital has a major impact on the company's burden on outside parties. This is because the company fulfills its debt obligations before providing returns to investors. As a result, investors tend to avoid stocks with a DER value that is too high. However, the results of this study indicate that DER does not affect stock returns. This indicates that investors do not use fundamental analysis to invest in company shares and tend to use practical or psychological analysis to buy shares.

Variable Return On Assets (ROA)

The return on assets variable has a significance value of 0.0137. Using the confidence level ($\alpha = 5\%$), it can be concluded that ROA significantly negatively affects stock returns. The coefficient value of ROA has a negative direction of -0.000804. This study differs from Sheilla Nurlailly Insani, Nancy Nurinasari, Laili Ayu Sa'diah, and Denny Oktavina Radiant's (2019) research. The results show that the ratio of EPS, ROE, DER, and ROA has no significant effect on the return of property and real estate stocks in the Indonesia stock exchange.

Return on Assets (ROA) is a profitability ratio used to measure the company's effectiveness in generating profits by utilizing its assets. The greater the ROA of a company, the better the company's position in terms of asset use. With the achievement of high profits, investors can expect profits from dividends because, essentially, in the conventional economy, the investment motive is to earn high profits, so if a stock produces high dividends, investor interest also increases, so that this condition has an impact on increasing stock prices. However, this condition only sometimes applies to all companies. In this case, when ROA increases, the company makes a policy not to increase dividend payments so that investors are not interested in holding the company's share

capital and instead make sales, and result in share prices falling, so that If the stock price falls, the stock return will automatically fall, and vice versa.

Variable Book Value (BV)

The book value variable has a coefficient value of -0.0000000184 and a probability value of $0.6203 > 0.05$. Therefore, it can be stated that BV does not affect stock returns. This study differs from Pandya, Pujihastuti, Dwi Julianti, and Imam Suprpta's (2020) research. The results of the study stated that EPS had a significant negative effect on stock returns, PER and PBV had a significant positive effect on stock returns, ROE and DER had no significant effect on stock returns, and DPR had a negative effect. To stock returns.

Book value (book value) per share shows the net assets owned by shareholders by owning one share. New investments from the company owners cause changes in the company's book value. Investments from additional assets or company assets and, at the same time, increase the owner's capital on the liability side. In addition, changes in book value are also caused by a revaluation of company assets or assets and profits obtained by the company. In this study, BV does not affect stock returns, indicating that investors do not use fundamental analysis to invest in company shares. Nevertheless, using practical or psychological analysis to invest in company shares.

6 Conclusion

The variable Debt to Equity Ratio (DER) has no effect on stock returns. This is indicated by the probability value of DER of $0.2692 > 0.05$. Therefore, the first hypothesis, which states that DER has a significant negative effect, is invalid.

The Return on Assets (ROA) variable significantly negatively affects stock returns. This is indicated by the magnitude of the probability value of ROA of $0.0137 < 0.05$. Thus the second hypothesis, which states that ROA has a significant positive effect, is not supported.

The Book Value (BV) variable does not affect stock returns. This is indicated by the magnitude of the probability value of BV of $0.6203 > 0.05$. Therefore, the third hypothesis, which states that BV has a significant positive effect, is invalid. The adjusted R^2 value is 0.377186 , which means that the independent variable has an effect on explaining the dependent variable by 37.7186% , and the remaining 62.2814 percent is influenced by other factors not included in the model.

7 Suggestion

For further researchers, adding another variable and taking a different object is better.

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