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THE EFFECT OF PRICE BOOK TO VALUE, EARNING PER SHARE AND DEBT EQUITY RATIO ON THE SHARE PRICES OF PROPERTY: THE CASE OF REAL ESTATE AND BUILDING CONSTRUCTION COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE

ВПЛИВ СПІВВІДНОШЕННЯ БАЛАНСОВОЇ ВАРТОСТІ, ПРИБУТКУ НА АКЦІЮ ТА СПІВВІДНОШЕННЯ БОРГОВОГО І ВЛАСНОГО КАПІТАЛУ НА ЦІНИ АКЦІЙ КОМПАНІЙ НА ПРИКЛАДІ КОМПАНІЙ, ЩО КОТИРУЮТЬСЯ НА ФОНДОВІЙ БІРЖІ ІНДОНЕЗІЇ

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Фахрі Асван, Енда Новіянті Сіморангір, Нагіан Тоні, Галумбанг Хутагалунг. Вплив співвідношення балансової вартості, прибутку на акцію та співвідношення боргового і власного капіталу на ціни акцій компаній на прикладі компаній, що котируються на фондовій біржі Індонезії. Науково-методична стаття.

Це дослідження було проведено з метою визначення впливу співвідношення цінової книги до вартості, прибутку на акцію та співвідношення боргового капіталу на ціну акцій компаній, що займаються нерухомістю та будівництвом, які котируються на Індонезійській фондовій біржі, за період 2018-2021 років. У цьому дослідженні використовується кількісний підхід з використанням вторинних джерел даних, отриманих з фінансової звітності компаній, опублікованої на сайті www.idx.co.id. Методика вибірки в цьому дослідженні полягає у використанні цілеспрямованої вибірки, загалом 10 компаній з даними за 4 роки, таким чином, загальна вибірка становить 40 даних. Результати дослідження вказують на те, що співвідношення ціни до вартості, прибутку на акцію, співвідношення боргового та власного капіталу має значний позитивний вплив на котирування акцій компаній, що котируються на фондовій біржі IDX, у секторі будівництва та нерухомості.

Ключові слова: ціна акції, співвідношення балансової вартості до вартості, прибуток на акцію, співвідношення боргового та власного капіталу

Fahri Aswan, Enda Noviyanti Simorangkir, Nagian Toni, Galumbang Hutagalung. The Effect of Price Book to Value, Earning Per Share and Debt Equity Ratio on the Share Prices of Property: the Case of Real Estate and Building Construction Companies Listed on the Indonesia Stock Exchange. Scientific and methodical article.

This research is a study conducted to determine the effect of Price Book To Value, Earning Per Share and Debt Equity Ratio on the Share Price of Property, Real Estate and Building Construction Companies Listed on the Indonesia Stock Exchange for the 2018-2021 Period. This study uses a quantitative approach with secondary data sources obtained from the company's financial statements published at www.idx.co.id. The sampling technique in this study is to use purposive sampling technique, with a total of 10 companies with data for 4 years so that it has a total sample of 40 data. The results of this study indicate that Price Book To Value, Earning Per Share, Debt Equity Ratio has a significant positive effect on stock prices in Property, Construction and Real Estate companies listed on the IDX.

Keywords: stock price, price book to value, earning per share, debt equity ratio

The stock price is the present value of income that will be received by investors in the future. The stock price shows the company's performance which moves in line with the company's performance. Companies that have good performance can improve their company's performance as reflected in the company's financial statements, so that investors will be interested in investing in the company. The increase in investor demand for the company will cause the share price of the company concerned to tend to

increase as well. The company's financial statements can be a reference for investors in making investment decisions, such as selling, buying, or investing shares (Yuniarto, 2018).

Factors that can affect the stock price of a company are internal factors and external factors of the company. This study uses the company's internal factors which are reflected in the company's financial statements. The company's internal components used are the proportion of advertising proxied by Price Book Value (PBV), Earning Per Share (EPS) and Debt Equity Ratio (DER). Price to Book Value can be used as a basis for speculators in the capital to think in making business choices. Price Book Value is the book value of the offer after considering the value held by the company. The condition of Price Book Value with a price above one gives an illustration of the stock price being in a position above the stock book cost or the stock in an over-loaded condition. Another condition could be that the Price Book Value is below one, meaning that the stock price is below the book value, which means that it is under load.

Earning Per Share is net profit that is ready to be distributed to shareholders divided by the number of company shares (Tandelilin, 2010). High Earning Per Share is an attraction for investors. High Earning Per Share indicates the company is able to provide high dividends to shareholders so that the share price increases.

A company is said to be good if the company is financed by its own capital. By using the Debt Equity Ratio (DER) we can find out how far the company is able to fulfill all its obligations. "Debt Equity Ratio is a ratio used to measure the comparison between long-term debt and total equity". The higher the DER, the greater the total debt to total equity, which means that the company is financed with debt, and vice versa (Hery, 2015).

Economic growth can be seen from the performance of the stock price index of property, real estate and building construction companies which experienced significant fluctuations in mid-2019 had experienced a significant increase but in 2020 experienced a drastic decline, this shows poor performance in property, real estate companies estate and building construction. This decline occurred during the Covid 19 pandemic, namely mid-2019 to 2020.

The relationship between stock prices and the influencing factors, namely the Price Book Value, shows how far the company is able to create corporate value relative to the amount of capital invested. If the book value of a company increases then the value company indicated by the stock price will also increase. Then in Earning Per Share (EPS), which is a form of giving profits to shareholders from each share they own, when the Earning Per Share is high, it will increase the stock price and vice versa, and the next factor is the higher the Debt to Equity Ratio, the the higher the company's ability to fulfill all its obligations, so that the interest of investors to invest in the company will decrease.

This research was conducted on property, real estate and building construction sector companies listed on the Indonesia Stock Exchange, this sub-sector is one of the sub-sectors of service companies listed as public companies in the property, real estate, and construction sectors on the Indonesia Stock Exchange (IDX). There are various types of investment in property and real estate which can generally be divided into three, namely, residential property, which includes apartments, housing, and multi-unit buildings; commercial property, namely property designed for business purposes, for example, a storage building and parking area, land and industrial property, namely investment in property designed for industrial use, for example, factory buildings.

Analysis of recent researches and publications

Stock Price. The share price is the cost of shares that occur in stock advertisements at a certain time which is decided by the demand and supply concerned in the advertising capital (Jogiyanto, 2017). Stock prices are formed through the components of supply and demand in capital (Sartono, 2010). The share price is the offer held by the shareholders.

Price Book Value (PBV). Price Book Value (PBV) describes how much the market appreciates the book value of a company's shares. Price Book Value (PBV) is a comparison of a stock price with book value. Price Book Value shows how far a company is able to create company value relative to the amount of capital invested. So, the higher the Price Book Value ratio, the more successful the company is in creating value for shareholders.

According to Hery (Hery, 2015) Price Book Value (PBV) is: The ratio of the share price and the book value of the company's equity, which measures the value given by the market to management and organizations as a company that continues to grow, Price Book Value is often used as a reference in determining the value of a stock. relative to its market share price.

Earning per Share (EPS). Earning Per Share (EPS) or salary per share can be a form of profit given to shareholders from each share they claim (Fahmi, 2011).

According to (Tandelilin, 2010) "Earning Per Share is the net profit that is ready to be delivered to shareholders divided by the number of company offerings. High earnings per share is an attraction for investors. The higher the Earning Per Share, the higher the company's capacity to provide salaries to its shareholders.

Debt to Equity Ratio. Definition of Obligation to Value Proportion According to (Kasmir, 2013) states Obligation to Value Proportion is the proportion used to assess liability to value. This proportion is found by comparing all liabilities, calculating current liabilities with all equity.

According to (Kasmir, 2016) stated that the proportion of liability capital is the proportion that is utilized to what extent capital is to capital. This proportion is calculated as the remainder between the addition of liabilities and the addition of capital. This proportion is valuable for knowing the size of the comparison between the amount of reserves provided by the bank and the number of shops started by the owner of the company. is a

proportion used for the extent to which the company is financed with obligations or with the capital it owns and the extent to which the company's capital can cover external obligations. Agreeing to (Hery, 2015) states that "The Debt to Equity Ratio increases to one, indicating the number of long-term liabilities is as large as the claim limit.

The main part

Research methodology. The hypothesis of this study can be presented as follows:

H1: Book Value Price affects the share price of property, real estate and construction companies on the Indonesia Stock Exchange for the 2018-2021 period.

H2: Earning Per Share affects the share price of property, real estate and building construction companies on the Indonesia Stock Exchange for the 2018-2021 period.

H3: The Debt Equity Ratio affects the share price of property, real estate and building construction companies on the Indonesia Stock Exchange for the 2018-2021 period.

H4: Price Book Value, Earning Per Share and Debt Equity Ratio simultaneously affect the stock prices of property, real estate and construction companies on the Indonesia Stock Exchange for the period 2018-2021.

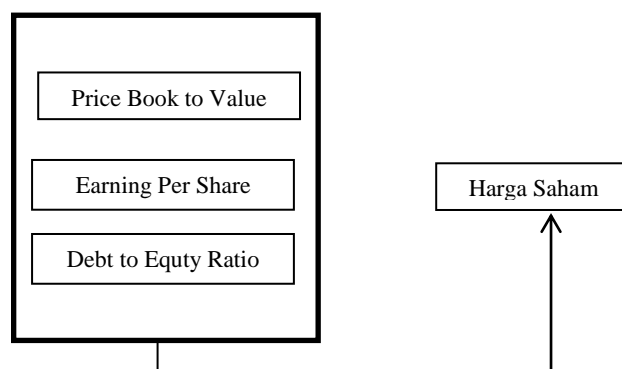


Figure 1. Research conceptual framework

Source: authors' own elaboration

Results and discussion. Hypothesis testing used in this study was tested using multiple regression analysis analyzed using a linear regression model to see the effect of each variable on stock prices using t-test and f-test (table 1).

Table 1. Statistic Descriptive

		Statistics			
		Ln Hanga Saham	Price Book to Value	Eaming Per Share	Debt Equity Ratio
N	Valid	40	40	40	40
	Missing	0	0	0	0
Mean		1318.440	1.4164	220.1098	2.1282
Std. Deviation		971.25182	.94679	957.97523	1.27338
Minimum		50.00	.28	-1623.00	.39
Maximum		3810.00	4.12	6489.00	5.37

Source: authors' own elaboration

The minimum value of the stock price is 50, thus the lower limit of the value of the stock price in this study is 50. Price Book Value has a minimum value of 0.28, thus the lower limit of the Price Book Value in this study is 0.28. Earning Per Share has a minimum value of -1623, thus the lower limit of the Earning Per Share value obtained by the company in this study is -1623. Then the Debt Equity Ratio has a minimum value of 5.37, thus the lower limit of the Debt Equity Ratio value obtained by the company in this study is -5.37 (table 2).

Table 2. a. Normality

		One-Sample Kolmogorov-Smirnov Test			
		Ln Hanga Saham	Price Book to Value	Eaming Per Share	Debt Equity Ratio
N		40	40	40	40
Normal Parameters ^{a,b}	Mean	1318.4400	1.4164	220.1098	2.1282
	Std. Deviation	971.25182	.94679	957.97523	1.27338
Most Extreme Differences	Absolute	.136	.166	.423	.129
	Positive	.136	.166	.423	.129
	Negative	-.096	-.119	-.368	-.086
Kolmogorov-Smirnov Z		.959	1.175	2.990	.915
Asymp. Sig. (2-tailed)		.317	.127	.120	.372

a. Test distribution is Normal.

b. Calculated from data.

Source: authors' own elaboration

In this study, the data analysis model used. The normality test in this study was carried out using the Kolmogorov-Smirnov table, where if the Asym.Sig in the table is greater than 0.05 then the data is declared normally distributed. From the data above, it can be seen the value of asymp. Sig of all variables > 0.05, this indicates that all variables are normally distributed (figure 2).

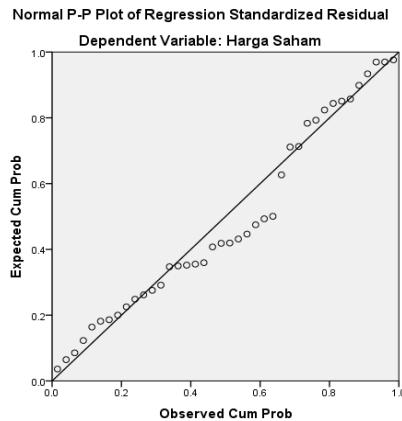


Figure 2. Regression plot 1
Source: authors' own elaboration

Table 3. b. Multicollinearity, Coefficients^a

Model		Coefficients ^a			Collinearity Statistics	
		Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)					
	Price Book to Value	.567	.547	.517	.918	1.090
	Earning Per Share	-.004	-.108	-.086	.956	1.046
	Debt Equity Ratio	.325	.245	.200	.945	1.059

a. Dependent Variable: Ln Stock price
Source: authors' own elaboration

From the data above, after processing using SPSS, it can be seen that the VIF value < 10 this proves that the VIF value of each variable is free from multicollinearity symptoms.

C. Heteroscedasticity (figure 3).

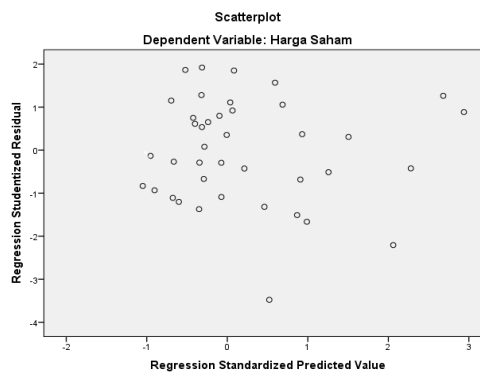


Figure 3. Scatterplot
Source: authors' own elaboration

From the scatterplot image above, it can be seen that the points spread above and below the 0 axis on the Y axis and this indicates that the data in this study did not show symptoms of heteroscedasticity (table 4).

Table 4. Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	220.071	257.463		0.855	.397
	Price Book to Value	553.694	125.010	.540	4.429	.000
	Earning Per Share	-.089	.121	-.088	-.737	.465
	Debt Equity Ratio	156.830	91.610	.206	2.712	.004

Source: authors' own elaboration

Based on the table above, it can be explained as follows. From the results of this study, the significance value of Price Book Value based on the t_{sig} test was obtained at 0.000 (Sig 0.000 < 0.05) and t_{count} > t_{table} (4.429 > 1.67) thus H₀ was rejected and H_a was accepted. the conclusion: there is a significant effect of Price Book Value on stock prices (Hanum, 2015).

From the results of this study, it was obtained that the significance value of Earning Per Share based on the t test was obtained at 0.465 (Sig 0.465 > 0.05) t_{count} > t_{table} (-0.737 < -1.67) thus H₀ was accepted and H_a was rejected. the conclusion: there is no significant effect of Earning Per Share on stock prices (table 5) (Rahmatiah, 2020).

Table 5. ANOVA^a

	Model	Sum of Squares	df	Mean Square	F	Sig
1	Regression	17248240.846	3	5749413.615	9.128	.000 ^b
	Residual	28974933.474	46	629889.858		
	Total	46223174.320	49			

a. Dependent Variable: Stock price

b. Predictors: (Constant), Debt Equity Ratio, Earning Per Share, Price Book to Value

Source: authors' own elaboration

Based on the results of the F test above, a significant value of 0.000 was obtained (Sig. 0.000 < 0.05), and F_{count} > F_{table} (9.128 > 1.69), thus H₁ was accepted. the conclusion: There is a significant effect of Price Book Value, Earning Per Share and Debt Equity Ratio on stock prices.

Conclusions

The results of the study are seen from statistical tests using regression tests, hypothesis testing, and determination tests that have been described in the previous chapter, it can be concluded as follows:

1. Price Book Value has an influence on stock prices in Property, Construction and Real Estate companies listed on the IDX.
2. Earning Per Share has no effect on share prices in Property, Construction and Real Estate companies listed on the BEL.
3. Debt to Equity Ratio has an influence on stock prices in Property, Construction and Real Estate companies listed on the IDX.
4. Price Book Value, Earning Per Share and Debt Equity Ratio have an influence on stock prices in Property, Construction and Real Estate companies listed on the IDX.

Suggestions. Based on the above conclusions, suggestions that can be given for further research include:

1. For companies, it is recommended to increase company value or Price Book Value by increasing Profitability or Return On Assets, and using debt for business development and business capital in order to be able to improve company performance.
2. For Investors, it is advisable to invest in companies that have good performance but have low Price Book Value valuations and low Debt To Equity.
3. Future research is expected to use more samples with more diverse characteristics from various sectors so that the results are even better and can add to the independent variables that also influence stock prices.

Abstract

The share price is the present value of the income that will be received by investors in the future. The stock price shows the company's performance which moves in line with the company's performance. Companies that have good achievements can improve their company's performance as reflected in the company's financial statements, so that investors will be interested in investing in the company. This research is a study conducted to determine the effect of Price Book To Value, Earning Per Share and Debt Equity Ratio on the Share Price of Property, Real Estate and Building Construction Companies Listed on the Indonesia Stock Exchange for the 2018-2021 Period. This study uses a quantitative approach with secondary data sources obtained from the company's financial statements published at www.idx.co.id.

The sampling technique in this study is to use purposive sampling technique, with a total of 10 companies with data for 4 years so that it has a total sample of 40 data. The analysis carried out in this study includes descriptive statistical analysis, data quality test (validity and reliability test), classical assumption test (normality, multicollinearity, and heteroscedasticity test), multiple linear regression analysis and hypothesis testing with t test and coefficient of determination (R²) test. The results of this study indicate that Price Book To Value, Earning Per Share, Debt Equity Ratio has a significant positive effect on stock prices in Property, Construction and Real Estate companies listed on the IDX.

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