

## **THE EFFECT OF *RETURN ON ASSETS* AND *PRICE TO BOOK VALUE* ON STOCK PRICES**

**Meilin Veronica**

Program Studi Manajemen, Fakultas Ekonomi Universitas Indo Global Mandiri Palembang  
Email: meilin.veronica@uigm.ac.id

### **Abstract**

*This study aims to analyze the effect of return on assets and price to book value on the share price of PT Ciputra Tbk. The data used is secondary data obtained through the documentation process. The analytical method used is multiple linear regression analysis. The results prove that return on assets (X1) has no effect on stock prices (Y). Meanwhile, price to book value (X2) has a significant effect on stock prices (Y). This research is expected to help companies to increase stock prices through return on assets and price to book value ratio.*

**Keywords:** *Return On Assets, Price To Book Value And Stock Prices*

### **Abstrak**

Penelitian ini bertujuan untuk menganalisis pengaruh return on assets dan price to book value terhadap harga saham PT Ciputra Tbk. Data yang digunakan adalah data sekunder yang diperoleh melalui proses dokumentasi. Metode analisis yang digunakan adalah analisis regresi linier berganda. Hasil penelitian membuktikan bahwa return on assets (X1) tidak berpengaruh terhadap harga saham (Y). Sedangkan price to book value (X2) berpengaruh signifikan terhadap harga saham (Y). Penelitian ini diharapkan dapat membantu perusahaan untuk meningkatkan harga saham melalui return on assets dan price to book value ratio.

**Kata Kunci :** *Return On Asset, Price To Book Value Dan Harga Saham*

### **INTRODUCTION**

Historically, the capital market has been present long before Indonesia became independent. The capital market or stock exchange has been present since the Dutch colonial era and precisely in 1912 in Batavia. The capital market at that time was established by the Dutch East Indies government for the benefit of the colonial government or the VOC. Although the capital market has existed since 1912, the development and growth of the capital market did not proceed as expected, even in some periods the capital market activity stopped temporarily. This was caused by several factors such as world wars I and II, the transfer of power from the colonial

government to the government of the Republic of Indonesia, and various conditions that led to operations the stock exchange cannot run as it should.

The Government of the Republic of Indonesia reactivated the capital market in 1977, and a few years later the capital market experienced growth in line with various incentives and regulations issued by the government. Until the end of October 2021, capital market investors have reached 6.7 million investors or grew 7.5 times since 2016. This increase was also followed by the number of investors who actively traded. In the same period there was an increase of 111 investors to 200 thousand active investors every day

A stock index is a statistical measure of the entire price movement of a set of stocks according to certain criteria and methodologies and is evaluated periodically. Stock indices themselves can be used to measure the performance of the capital market and investment products. Stock indices have a number of benefits for investors. For example, to find out an overview of the overall stock price movement through the JCI, it becomes a reference for the performance of the stock portfolio and can be used to measure profits and to be able to knowing what the stock movement is like is to monitor the Composite Stock Price Index (JCI). If the JCI rises, it can be concluded that the stock price that rises is more than the stock price that falls, and vice versa. In addition, stock indices can also be used as a reference for active portfolios. The performance appraisal of a stock portfolio certainly requires a reference for comparison. Nurainun and Sinta in Zenni (2009) said that the value of a company is a value that reflects what price an investor can afford to pay for a company that usually measured by price to book value ratio. The price that investors are able to pay is reflected in the stock market price. The value of the company can be measured by a ratio called the valuation ratio. Indicators in measuring the value of a company are Price Earning Ratio (PER), Price to Book Value (PBV) and Tobin's Q Ratio.

The general purpose of the company is to desire to maximize the welfare of shareholders. This is in line with the purpose of shareholders to make investments, namely to obtain a high level of *return* so that they can maximize their welfare. The high *level of return* is a reflection that the stock price of the company is in good shape. Usually, the high and low condition of the stock price can determine how

much investors get profits (*capital gains*) on the stock transactions they make. The increase and decrease in stock prices is usually caused by several factors including the level of company's profit in carrying out its business activities, or commonly referred to as the level of profitability .

A company with a high level of profitability will certainly be attractive to investors, so its share price will rise as a result of the large demand for shares. (Gursida, 2015). Profitability reflects the ability of an enterprise to obtain a profit or in other words a measure of the effectiveness of the management of the company's management. The company's ability to make a profit can be measured through its own capital to all the funds invested into the company. (Wulandari & Badjra, 2020). Profitability is able to measure the extent of an enterprise's ability to make a profit. Profit is the main factor measuring the level of effectiveness and efficiency of the enterprise with all the funds and resources of the company.

Profitability in this study was measured using *the return on assets* (ROA) indicator. *Return On Assets* in this study is used as a measuring tool to measure profitability ratios because *Net profit margin* and asset turnover ratios cannot provide adequate measurements over the overall effectiveness of the company. *Net profit margin* does not take into account the use of assets, while the asset turnover ratio does not take into account profitability in sales. *Return On Assets* (ROA) can overcome both weaknesses (Hery, 2015). The object of this study is a public company that falls into the category of *property and real estate companies*. The selection of this object based on the *property and real estate* sector is associated with the rapid pace of population growth that is poorly balanced with adequate means of residence, this sector can be a business land as a place of investment that can provide high returns.

**Table 1.1**  
**ROA Calculation Results of PT Ciputra Tbk.**

Year	Quarter	Net Profit	Total Assets	ROA(%)
2016	I	208.838.362.542	26.164.442.285.209	0, 79
	II	339.207	27.281.758	1, 24
	III	668.154.995.366	27.402.683.948.075	2, 44

	IV	1.170.706	29.072.250	4, 03
2017	I	228.009	29.146.903	0, 78
	II	368.735	30.560.770	1, 20
	III	624.788	32.071.554	1, 94
	IV	1.018.529	31.706.163	3, 21
2018	I	147.279	32.289.547	0, 46
	II	224.981	32.881.291	0, 68
	III	657.163	33.610.010	1, 95
	IV	1.302.702	34.289.017	3, 80
2019	I	297.518	344.445.727	0, 86
	II	320.259	35.076.644	0, 91
	III	462.486	35.494.083	1, 30
	IV	1.283.281	36.196.024	3, 54
2020	I	184.050	37.870.092	0,48
	II	161.859	37.884.189	0,42
	III	248.069	38.784.329	0,63

Source: [www.idx.co.id](http://www.idx.co.id), data processed

The data above shows that *the return on assets of PT Ciputra Tbk* has decreased from 2016-2020. Recorded in 2016, *the return on assets of PT Ciputra Tbk* in the first quarter was 0.79%, in the second quarter it was 1.24%, in the third quarter it was 2.44% and in the fourth quarter it was 4.03%. Then in 2017 *the return on assets of the company* in the first quarter was 0.78%, in the second quarter it was 1.20%, in the third quarter it was 1.94% and in the fourth quarter it became 3.21%. Then in 2018, *the return on assets of PT Ciputra Tbk* in the first quarter was 0.46%, in the second quarter it was 0.68%, in the third quarter it was 1.95% and in the fourth quarter it was 3.9%. In 2019 *the return on assets of PT Ciputra Tbk* in the first quarter was 0.86%, in the second quarter it was 0.91%, in the third quarter it was 1.30% and in the fourth quarter it was 3.5%. In 2020 in the first quarter, roa was 0.48%, then in the second quarter, ROA became 0.42% and in the third quarter ROA became 0.63%

**Table 1.2**  
**PBV Calculation Results of PT Ciputra Tbk**

Year	Quarter	Share Price	BV	PBV(%)
2016	I	1301,96	857,4983652	1,51
	II	1.406	865,8864746	1,62
	III	1575	877,6524215	1,79
	IV	1.358	926,9145584	1,46
2017	I	1.268	780,4570696	1,62
	II	1.165	792,1783758	1,47
	III	1.183	805,7333805	1,46
	IV	1.193	832,4629544	1,43
2018	I	1.233	839,0277716	1,46
	II	1.015	833,0440332	1,21
	III	855	860,7985364	0,99
	IV	1.055	896,7674528	1,17
2019	I	955	914,3848911	1,04
	II	1.065	904,4489544	1,17
	III	1.053	914,0584417	1,15
	IV	1.030	956,9653911	1,07
2020	I	444	911,0807964	0,48
	II	610	918,2368216	0,66
	III	645	908,5894039	0,70

Source: [www.idx.co.id](http://www.idx.co.id), data processed

Then, *the price to book value of PT Ciputra Tbk* also decreased from year to year. Recorded in 2016, *the price to book value of PT Ciputra Tbk* in the first quarter was 1.50%, in the second quarter it was 1.67%, in the third quarter it was 1.91% and in the fourth quarter it was 1.52%. Continued in 2017 *the price to book value of PT Ciputra Tbk* in the first quarter was 1.55%, in the second quarter it was 1.47%, in the third quarter it was 1.48% and in the fourth quarter it was 1.47%.

Then in 2018, the *price to book value* of PT Ciputra in the first quarter was 1.40%, in the second quarter it was 1.22%, in the third quarter it was 1.01% and in the fourth quarter it became 1.17%. In 2019, the *price to book value of* PT Ciputra Tbk in the first quarter was 1.09%, in the second quarter it was 1.27%, in the third quarter it was 1.14% and in the fourth quarter it was 1.08%. And in 2020, PBV was 0.48%, then in the second quarter, PBV was 0.66% and in the third quarter PBV was 0.70%.

**Table 1.3**  
**Changes in Share Price of PT Ciputra Tbk**

Year	Quarter	Share Price Before Period (Rp)	Share Price After Period (Rp)	Change Share Price (%)
2016	I	1270	1305	2,75
	II	1440	1460	1,39
	III	1000	1020	2,00
	IV	1330	1335	0,37
2017	I	1215	1230	1,23
	II	1165	1170	0,42
	III	1120	1150	2,67
	IV	1165	1185	1,71
2018	I	1145	1175	2,62
	II	1045	1055	0,95
	III	995	1010	1,50
	IV	790	820	3,80
2019	I	995	1000	0,50
	II	1160	1195	3,01
	III	1700	1680	-1,17
	IV	1045	1040	-0,47
2020	I	450	444	-1,33
	II	615	610	-0,81
	III	660	645	-2,27

Source: [www.idx.co.id](http://www.idx.co.id), data processed

Judging from the table above in 2016 in the first quarter, the change in stock price was 2.75%, in the second quarter it fell to 1.39%, in the third quarter it

increased to 2.00% and in the fourth quarter again decreased to 0.37%. In 2016, the highest share price was Rp 1,330 in the fourth quarter and the lowest was Rp 1,000 in the third quarter. Then in 2017 the first quarter, the change in stock price increased to 1.23%, then in the second quarter it fell again to 0.42%, but in the third quarter it experienced increased to 2.67% then in the fourth quarter it fell back to 1.71%. In 2017, the highest share price was Rp 1,215 in the first quarter and the lowest was Rp 1,120 in the third quarter. In 2018 the first quarter the change in stock price increased to 2.62%, in the second quarter it decreased to 0.95%, then in the third quarter it experienced an increase to 1.50% then in the fourth quarter it again increased to 3.80%. In 2018, the highest share price was Rp 1,145 in the quarter and the lowest was Rp 790 in the fourth quarter. In 2019 in the first quarter, the change in stock price decreased to 0.50%, then in the second quarter it increased to 3.01%, in the third quarter it experienced decreased to -1.17% and in the fourth quarter, it increased to -0.47%. Then in 2019, the highest share price was in the third quarter, which was IDR 1,700, while the lowest share price in the first quarter was IDR 995. In 2020, the change in stock price in the first quarter decreased again to -1.33%, then in the second quarter it increased to -0.81% and in the third quarter decreased to -2.27%. In 2020, the highest share price was IDR 660 in the third quarter and the lowest share price was IDR 450 in the first quarter.

Based on the table above, in the 2016-2020 period PT Ciputra Tbk shows that *the return on assets, price to book value* and changes in stock prices are still low, making it less profitable. Based on this phenomenon, there is a problem where the *return on assets (ROA), price to book value (PBV)* and changes in the share price produced by PT Ciputra Tbk are still low, this will affect investors' decision to invest, where investors will be more interested in investing in companies that tend to have a high company value and profitability level.

## LITERATURE REVIEW

### 1. Profitability

Profitability is the ability of a company to manage the company's resources to make a profit for investors. Profitability is considered important because profitability is an indicator in measuring the financial performance of a company so that it can be used as a reference to assess the company (Ayu & Suarjaya, 2017). According to (Purnamasari, 2017), profitability is an indicator of the performance and ability of business entities to utilize all their wealth to make a profit. The high level of profitability reflects that the business entity is able to work effectively and efficiently in its operational activities.

Profitability or called rentability is the ability of an enterprise to make a profit over a certain period. The profitability of the company shows the comparison between the profit and the assets or capital that generate the profit. One way to see the success of an enterprise is through the profitability of the company. Profitability indicates the success of the company in making a profit or profit. The higher the profitability of a company, the higher the company's ability to make a profit. Profitability is also an indicator of performance carried out by management in managing the company's wealth which is indicated by the profit generated. (Suwandani & Suhendro, 2017). According to (Cashmere, 2012) profitability is a ratio for assessing a company's ability to make a profit. According to (Thaib & Dewantoro, 2017) profitability is the ability of a company to make a profit through its business operations by using asset funds owned by the company.

Profitability ratio is a ratio that describes the company's ability to make a profit through all the capabilities and resources it has, that is, those derived from sales activities, the use of assets, as well as the use of capital. (Hery, 2015). According to (Hery, 2015) states that usually the use of profitability ratios is adjusted to the goals and needs of the company. Here are the types of profitability ratios that are commonly used in practice to measure an enterprise's ability to make a profit:

**a. Return On Assets (ROA)**

*Return on assets* (ROA) or the result of return on assets according to (Hery, 2015) is a ratio that shows how much the asset contributes in creating net profit. In other words, this ratio is used to measure how much net profit will be generated from each rupiah of funds embedded in the total assets. The higher the return on assets means that the higher the amount of net profit generated from each rupiah of funds embedded in the total assets.

$$\frac{\text{Net Profit}}{\text{Total Assets}}$$

*Net profit margin* and asset turnover ratios cannot provide adequate measurement of the company's overall effectiveness. *Net profit margin* does not take into account the use of assets, while the asset turnover ratio does not take into account profitability in sales. *Return On Assets* (ROA) can address both weaknesses. An increase in the company's profit-generating power will occur if there is an increase in asset turnover, an increase in *net profit margin*, or both.

**b. Return On Equity (ROE)**

This ratio measures the company's ability to make a profit based on a particular share capital. This ratio is a measure of profitability from a shareholder point of view. Although this ratio measures profit from a shareholder point of view, it does not take into account dividends or *capital gains* for shareholders. The higher this ratio, the better. This means that the content post of the owner of the company is getting stronger, and vice versa.

**c. Gross Profit Margin**

*Gross profit margin* is a ratio used to measure the percentage of gross profit on net sales. This ratio is calculated by dividing gross profit to net sales. Gross profit itself is calculated as a result of a reduction between net sales and cost of goods sold. The low *gross profit margin* ratio figure suggests that the company is prone to price changes in both the selling price and the cost of goods. This means that if there is a change in the selling price or cost of goods, this change will greatly affect the company's profit.

**d. Operating Profit Margin**

Operating profit margin is a ratio used to measure the percentage of operating profit on net sales. This ratio is calculated by dividing operating profit to net sales. Operating profit itself is calculated as the result of a reduction between gross profit and operating expenses. The higher the operating profit margin means the higher the operating profit generated from net sales. This is due to the high gross profit and/or lacedhnya operating expenses.

**e. Net Profit Margin**

Net profit margin is a measure of profit by comparing net profit after interest and tax compared to sales. This ratio shows the company's net revenue at as sales. Here is the formula for calculating the net profit margin:

$$\frac{\text{Net Profit}}{\text{Sales}}$$

A high profit margin signifies the company's ability to make a high profit at a certain level of sales. A *low profit margin* signifies a sale that is too low for a certain level of cost, or a cost that is too high for a certain level of sales, or a combination of those two things. In general, a low ratio can indicate management inefficiencies.

**2. Company Value**

The value of the company is a value that reflects what price an investor is willing to pay for a company. The high stock price makes the company's value also high. Maximizing the value of the company is very important for a company, because maximizing the value of the company means also maximizing the prosperity of shareholders which is the main goal companies. (Wijaya & Sedana, 2015). The value of the company is the price that prospective buyers are willing to pay if the company is sold. (Husnan, 2014).

According to (Munawaroh & Priyadi, 2014) company value is an investor's perception of the company's success rate which is often associated with stock prices and profitability. The company was basically founded in order to create added value, especially in making a profit. Enterprises that apply economic principles, are generally

not only oriented towards achieving maximum profit, but also seek to increase the value of the enterprise and the prosperity of its owners. (Safitri, 2016).

Company value is a certain state that has been achieved by the company which describes investors' perceptions of management performance in managing the company through a series of processes for implementing management functions from the time the company was founded until now. The high value of the company shows good performance achievements so that it becomes the desire of its owners. The higher the value of the company, the greater the prosperity that the owner of the company will receive. (Wiagustini, 2013). The value of the company is the price that a prospective buyer is willing to pay if the company is sold which is associated with the share price. (Kusumajaya, 2011).

In general, the value of a company can be measured using financial ratios, one of which is *price to book value* (PBV). The PBV ratio is a comparison of *the market value* of a stock to the *book value*, so that it can be known whether the level of the stock price is *overvalued* or *undervalued* from *the book value*. The low PBV value is reflected through an *undervalued* share price which indicates a decrease in the quality and fundamental performance of the issuer. An *overvalued* stock price or a high PBV value reflects an excessive investor perception of the company. (Prapaska & SITI, 2012).

**a) PBV (*Price Book Value*)**

*Price Book Value* is one of the variables that an investor considers in determining which stock to buy. The value of the company can provide maximum shareholder benefits if the company's share price increases. The higher the harga share, the higher the wealth of shareholders.

**b) PER (*Price Earning Ratio*)**

*Price earning ratio* is the price per share, this indicator has practically been applied in the final financial statements of profit and loss and has become a standard form of financial reporting for public companies in Indonesia. This ratio shows how much investors value stock prices in multiples of earnings. (Harmono, 2015).

c) **EPS (*Earning Per Share*)**

Earning *Per Share* or earnings per share is a form of providing benefits given to the holders of each share owned. (Irham, 2015).

**3. Share price**

According to Samsul, (2015) the definition of shares is a sign of proof of ownership of the company. Shareholders are also called shareholders (*shareholders* or *stockholders*). Proof that a person or party may be considered a shareholder if a person or a party is already registered as a shareholder in a book called the register of shareholders. Meanwhile, according to (Irham, 2015) the definition of shares is a sign of evidence of capital/ fund ownership in a company. Shares in the form of a piece of paper that clearly states the par value, name of the company and is followed by the rights and obligations described to each of its holders, as well as being supplies ready for sale.

Shares are a proof of investors' ownership of a company in the form of acquiring shares. where the shares have a selling value and are traded in the capital market. (Halimatussakdiah, 2018). According to (Jufrizen, 2012) Shares can be defined as a sign of inclusion or ownership of a person or entity in a company. The form of shares is a piece of paper that explains that the owner of the paper is the owner of the company that issued the paper. The share of ownership is determined by how much participation is invested in the company.

A stock price is a stock that has the characteristic to be traded on the stock exchange as measured by the currency (price) where the price will be determined between the strength of demand and offers. The share price is the amount of the present value of the overall cash flow that will be received by the financier during the *holding period* based on the *rate of return* ) which is considered worthy in the future. (Jufrizen, 2012)

According to (Hartono, 2016) stock price is the price seen on the stock exchange market at a certain moment determined by market participants and determined by the demand and supply of the shares concerned in the capital market. As for according to (Darmadji, Tjiptono&Fakhruddin, 2012), defining a stock price is the price that occurs

on the exchange at a certain time. Stock prices can change up or down in a matter of time so quickly. It can change in a matter of minutes and can even change in a matter of seconds. This is possible because it depends on the demand and supply between the buyer of the shares and the seller of the shares.

According to (Jogiyanto, 2010) the definition of stock price is the price of a stock that occurs in the stock exchange market at a certain moment determined by market participants and determined by demand and supply the shares in question in the capital market.

The share price is the value of a share that reflects the wealth of the company that issued the shares, where the change or fluctuation is largely determined by the strength of demand and supply that occurs in the exchange market (secondary market). The more investors who want to buy or keep stocks, the price rises. Conversely, the more investors who want to sell or release a stock, the more the price moves down. (Sulia, 2017).

Stock Price is the selling value of shares that is formed based on the demand and supply of a share on the IDX and as is well known, stocks provide two types of income, namely dividends and *capital gain*. (Hidayat & Topowijono, 2018).

According to (Pratiwi, 2020) stock price is the closing price of the stock market during the observation period for each type of stock that is sampled and its movements are always observed by investors.

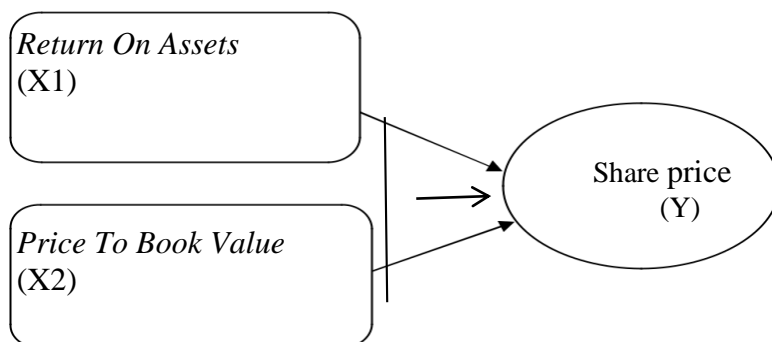
The share price according to Law No. 8 of 1995 concerning the capital market is the receipt of the magnitude of the sacrifices made by each investor for participation in the company. Stock prices are very important for investors because they have economic consequences. Changes in stock prices will change the market value so that the opportunities that investors will get in the future will also change. The stock price reflects various information that occurs in the capital market with the assumptions of the capital market. (Musdalifah, Azis. Mintarti, 2015).

The share price is the price of a share that is determined at the time when the share price is in progress based on the demand and supply of the stock in question. Stock price can also be defined as the price formed from the interaction between sellers and buyers of shares motivated by their expectations of the company's profits (

Ulmiasari, 2016). The stock price is a reflection of the company's performance, fundamental aspects can help minimize risks, and at the same time optimize profits. (Veronica & Pebriani, 2020).

### 3. Conceptual Framework of Research

Based on the description of the theory above, a conceptual framework can be developed as follows:



**Figure 2.1 Into the Conceptual Framework of Research**

### 4. Hypothesis

The steps in testing this hypothesis begin with establishing the null hypothesis (Ho) and the alternative hypothesis (Ha), the selection of statistical tests and their calculations, establishing the degree of significance, and setting criteria testing.

Hypothesis 1

Ha: There is a partial effect of variable *return on assets* on stock prices.

Hypothesis 2

Ha: There is a partial effect of variable *price to book value* on stock prices.

Hypothesis 3

Ha: There is a simultaneous influence between the variable *return on assets* and *price to book value* on stock prices.

## Research Methods

### 1. Research Design

In this study, the author will discuss the problem of *Return On Assets* and *Price To Book Value* of PT Ciputra Tbk's Share Price .

## 2. Operational Definition

Operational variables describe the variables studied, concepts, indicators, units of measure, and measurement scales that will be understood in research operations. Research variables are everything in the form of anything that is set by the researcher to be studied so that information about it is obtained, then conclusions are drawn. (Sugiono, 2016). In accordance with the title of the study chosen by the author, namely the Effect of *Return On Assets* and *Price To Book Value* on Stock Prices, the author groups the variables used in this study into independent variables (X) and dependent variables (Y).

## 3. Population and Sample

According to Sugiyono (2017) population is the number of generalization areas consisting of objects or subjects that have the qualities and characteristics set by the researcher and then the conclusions are drawn. According to Sugiyono (2017) the sample is the number and characteristics possessed by the population used for the study.

The population and samples in this study are companies that are included in the category of *property* and *real estate* subsector companies, namely PT Ciputra Tbk.

## Results and Discussion

### 1. The Effect of *Return On Assets* On Stock Price

The partial test result was a calculated t value of 0.841 and a significance value of 0.413 which was greater than 0.05 ( $0.413 > 0.05$ ). This means that the ROA shows no significant effect on the share price of PT Ciputra Tbk. Thus the hypothesis that the ROA has a significant effect on the stock price is rejected ( $H_0$  accepted).

From the results of the study, *the Return on Asset* (X1) did not have a significant influence. This means that it is contrary to the research hypothesis and is not in line with the results of Zaki&Islahuddin's research which states that *return on assets* has a positive and significant influence on prices shares. However, the results of this study are in line with the results of Erwanda&Ruzikna's research which states that *Return on Assets* does not have a significant effect on stock prices. *High return on assets* means

that the company's ability to generate profits is getting better and able to convince investors to invest their shares. The cause of the low *Return on Assets* is due to the company's ability to generate profits is not good, so it will also result in low investor confidence to invest in the company said.

The absence of the influence of ROA on stock prices is likely to be caused by various factors, including unstable social, political and economic conditions in Indonesia, resulting in high levels. business risks as well as uncertainty of income or profits that will be received by investors. The insignificant *Return on Assets* to stock prices shows that investors do not pay attention to *Return on Assets* in their decision to invest because *Return on Assets* has weaknesses that tend to fluctuate ups and downs.

## 2. The Effect of *Price To Book Value* on Stock Prices

The partial test result is a calculated t value of 3.029 and a significance value of less than 0.05 ( $0.008 > 0.05$ ). This means that PBV has a significant effect on the share price of PT Ciputra Tbk. Thus the hypothesis that states that PBVs have a significant effect on the price of shares received ( $H_a$  received).

The results of this study contradict the results of Beliani's research which states that *Price To Book Value* does not have a significant influence on stock prices. However, the results of this study are in line with the results of Alamsyah's research which states that *Price To Book Value* has a significant effect on stock prices.

This suggests that the initial hypothesis has been proven. Investors focus their attention on *Price To Book Value* in making investment decisions. This is because PBVs reflect how much price investors are willing to pay for a company. A high share price will make pbvs also high because maximizing PBVs means also maximizing the prosperity of shareholders which is the main goal of the company. Potential investors are interested in high PBVs, as this is one of the indicators of the company's success. The higher the PBV value owned by a company, it shows that the greater the investors who will pay for the company's shares.

### 3. Effect of *Return On Assets* and *Price To Book Value* On Stock Price

The test result of the calculated F value was  $5.936 > f\text{-table } 3.59$  with a significance value (sig) of  $0.012 < 0.05$ . Thus, it can be said that *Return On Assets* and *Price To Book Value* simultaneously have a significant effect on the share price of PT Ciputra Tbk. Thus the hypothesis that states that *Return On Assets and Price To Book Value* have a significant effect on the price of shares received ( $H_a$  received). The results of this study are in line with the results of Cahyaningrum's research which conducted an analysis of the effect of EPS, PBV, ROA and ROE on changes in stock prices in the financial sector. The results of this study state that EPS, PBV, ROA and ROE have a significant effect on changes in financial sector stock prices. In addition, it is also in accordance with the results of Setiawan's research which conducted an analysis of the influence of ROA, DER, and PBV on the share price of manufacturing companies on the IDX. The results of this study show that ROA, DER, and PBV simultaneously affect the share price of manufacturing companies on the IDX.

### CONCLUSION

Based on data analysis and discussion of research results, the following conclusions can be drawn:

1. Partially, the Variable *Return on Asset* has no influence on the share price of PT Ciputra Tbk for the 2016-2020 period which is indicated by a t-count value of  $0.841 < t\text{-table of } 2.11991$  and a significance value of  $0.413$  which is greater than  $0.05$  ( $0.413 > 0.05$ ). The absence of the roa influence on the stock price is likely due to various factors, including the unstable social, political and economic conditions of the country so that resulting in high business risks as well as uncertainty of income or profits that will be received by investors.
2. Partially, the variable *Price To Book Value* affects the share price of PT Ciputara Tbk for the 2016-2020 period which is indicated by a t-count value of  $3.029 > t\text{-table of } 2.11991$  and a significance value of less from  $0.05$  ( $0.008 > 0.05$ ). This means that PBV can be used as information in decision making for investors to invest in PT Ciputra Tbk.

3. Simultaneously, *the variables of Return on Asset and Price To Book Value* affect the share price of PT Ciputra Tbk for the 2016-2020 period. This is indicated by the *F*hitung value of  $> F_{table}$  which is  $5.936 > 3.59$  with a significant level of  $0.012 < 0.05$ .
4. Based on the results of the study, the results of the coefficient of determination ( $R^2$ ) of R Square value of 0.426 explained that the variable X (*Return on Asset and Price To Book Value*) affects the variable Y (Stock Price) ) by 0.426 or 42.6%. While the remaining 57.4% was influenced by other factors outside the independent variables studied.

## SUGGESTION

The suggestions that can be given in connection with the research that has been carried out are as follows:

a. For Companies

It is hoped that the results of this study can provide consideration and input for the company in carrying out policies that can affect changes in stock prices in the company.

b. For Investors

It is hoped that the results of this study can help identify stock prices, so that investors can make decisions to invest in shares in companies based on *considerations of return on assets and price to book value* of the company.

c. For Other Researchers

It is hoped that researchers can then increase the number of samples so that they get conclusions and a wider scope. In addition, researchers are further advised to add variables that could potentially affect the stock price.

## REFERENCE

- Alamsyah, M. F. (2020). The effect of profitability, company size and market value on the share price in the metal and mineral mining sub-sector on the Indonesia Stock Exchange (BEI). *Journal of Management*, 11(2), 170–178.
- Ayu, D. P., & Suarjaya, A. A. G. (2017). The effect of profitability on company value with corporate social responsibility as a mediating variable in mining companies. *E-Journal of Management of Udayana University*, 6(2).
- Darmadji, Tjiptono&Fakhruddin, H. M. (2012). *Capital Market in Indonesia, Question and Answer Approach*. Salemba Four.
- Erwanda, G., & Ruzikna, R. (2017). *Effect of Profitability Ratio to Share Price in Construction Companies Listed on the Indonesia Stock Exchange in 2010-2014*. Riau University.
- Gursida, H. (2015). The Effect of Profitability and Leverage on the Share Price of Companies Listed on the Indonesia Stock Exchange . *Magma: Journal of Master of Management*, 1(1).
- Halimatussakdiah, H. (2018). The Effect of Profitability, Liquidity and Dividend Per Share on The Share Price of Lq-45 Companies Listed on the Indonesia Stock Exchange . *Valuta*, 4(1), 17–39.
- Harmono. (2015). *Balanced Scorecard-Based Financial Management Theoretical, Case And Business Research Approaches*. Earth Script.
- Hartono, J. (2016). *Portfolio Theory And Investment Analysis (10th)*. BPFE.
- Hery. (2015). *Financial Statement Analysis*. CAPS (Center for Academic Publishing Service).
- Hidayat, D., & Topowijono, T. (2018). The Effect of Financial Performance on Stock Prices (Study on Mining Companies of the Oil and Gas Mining Subsector Listed in the Indonesian Securities Reserve for the 2013-2016 Period). *Journal of Business Administration*, 62(1), 36–44.
- Husnan, S. M. S. (2014). *Business Project Feasibility Study*. UPP STIM YKPN.
- Irham, F. (2015). *Investment Management Theory And Answer Questions (2nd)*. Salemba Four.
- Jogiyanto. (2010). *Analysis And Design*. Andi Publishers.
- Jufrizen, J. (2012). Effect of Profitability Ratio to Share Price on Companies Listed in LQ45 on the Indonesia Stock Exchange . *Visionary & Strategic Journal*, 1(2).
- Cashmere. (2012). *Financial Statement Analysis*. PT Raja Grafindo Persada.
- Kusumajaya, D. K. O. (2011). The Effect of Capital Structure and Company Growth on Profitability and Company Value in Manufacturing Companies on the Indonesia Stock Exchange . Udayana University.

- Munawaroh, A., & Priyadi, M. P. (2014). The effect of profitability on company value with corporate social responsibility as a moderating variable. *Journal of Accounting Science & Research*, 3(4), 1–17.
- Musdalifah, Azis. Mintarti, S. and N. M. (2015). *Fundamental Investment Management, Technical, Investor Behavior And Stock Returns* (1st). Deepublish.
- Prapaska, J. R., & SITI, M. (2012). Analysis of the Effect of Profitability Levels, Investment Decisions, Funding Decisions, and Dividend Policies on Company Value in Manufacturing Companies in Bei 2009-2010. Faculty of Economics and Business.
- Pratiwi, M. (2020). Effect of Return On Asset (Roa), Debt To Equity Ratio (Der) And Earning Per Share (Eps) On Stock Price In Property Companies On Indonesia Stock Exchange . *Equilibria*, 5(2).
- Samsul, M. (2015). *Capital Markets And Portfolio Management* (2nd). Erlangga.
- Sugiono, A. and E. U. (2016). *Basic Practical Guide to Financial Statement Analysis*. PT Grasindo.
- Sugiyono. 2017. *Quantitative Research Methods and R &D*. Bandung: CV. Alfabeta.
- Sulia, S. (2017). Analysis of Factors Affecting Stock Prices in Lq45 Companies Listed on the Indonesia Stock Exchange . *Journal of Microeconomics: JWEM*, 7(2), 129–140.
- Suwandani, A., & Suhendro, A. W. (2017). The Effect of Profitability On The Share Price Of Food And Beverage Sector Manufacturing Companies In Bei Year 2014-2015. *Journal of Accounting And Taxes*, 18(01).
- Thaib, I., & Dewantoro, A. (2017). The effect of profitability and liquidity on the value of the company with capital structure as an intervening variable. *Journal of Banking Management And Accounting Research*, 1(1), 25– 44.
- Ulmiasari, A. M. (2016). Effect of Current Ratio, Return On Assets and Return On Equity on stock price. Muhammadiyah University.
- Veronica, M., & Pebriani, R. A. (2020). Influence of Fundamental and Macroeconomic Factors on Stock Prices in Property Industry Companies on the Indonesia Stock Exchange. *Islamic Banking: A Journal of Islamic Banking Thought and Development*, 6(1), 119–138.

- Wiagustini, W. L. . . (2013). *Financial Management*. Udayana University Press.
- Wijaya, B. I., & Sedana, I. B. P. (2015). The effect of profitability on the value of the company (Dividend policy and investment opportunities as mediating variables). *E-Journal of Management of Udayana University*, 4(12).
- Wulandari, A. I., & Badjra, I. B. (2020). The Effect of Profitability on Share Price in Lq-45 Companies on the Indonesia Stock Exchange (Bei). *E-Journal of Management of Udayana University*, 8(9), 5722–5740.
- Zaki, M., & Islahuddin, M. S. (2017). The Effect of Profitability, Financial Leverage and Company Size on Stock Prices (Study on Manufacturing Companies Listed on the Indonesia Stock Exchange for the Period 2005-2014). *Journal of Accounting Administration: Unsyiah Postgraduate Program*, 6(3).

