



THE INFLUENCE OF PROFITABILITY, LIQUIDITY, NET CASH FLOWS, DIVIDEND POLICY, FIRM SIZE TO STOCK PRICE (EMPIRICAL STUDY ON MANUFACTURING COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE PERIOD 2015-2018)

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Abstract

This study was conducted to determine the effect of profitability, liquidity, net cash flow, dividend policy and firm size to stock prices at manufacturing companies listed on the Indonesia Stock Exchange. Data analysis based on normality test, Heteroskedasticity test, multicollinearity test and autocorrelation test are met, multiple linear regression analysis where profitability, liquidity, net cash flows and firm size have positive effect while dividend policy has negative effect on stock price, Partial Test (t test) where the variable profitability and firm size affect the stock price while the liquidity variable, net cash flow and dividend policy does not affect the stock price. In the F test (Simultaneous Test) the independent variables (profitability, liquidity, net cash flow, dividend policy and firm size) together have a significant effect on the dependent variable (stock price). In the coefficient of determination test (adj R²) that the dependent variable can be explained by the independent variable with the value of adj R² of 54.5% while the remaining 45.5% influenced other variables not examined in this study

INTRODUCTION

Before investing in the stock market, investors must conduct market analysis to assess the price of a stock because investing in stocks is speculative, meaning that it contains a lot of risk. Investing in stocks in the capital market is a type of investment with high risk. Stock investors will bear considerable uncertainty about how and when the income they will receive in the form of dividends or capital gains. Investment in stocks depends on fluctuations in stock prices on the exchange, volatility in interest rates, market volatility and also the financial performance of the company. The movement of stock prices in the short term cannot be predicted with certainty. Stock prices always fluctuate, go up and down from one time to another, but there is no stock price that increases continuously and there is also no stock price that continues to fall, only the price increases and decreases according to the prevailing pattern. This decline and increase occurred due to several related things, such as the general environment (political, economic, social, defense and security) and the company's internal environment.

The stock price is a measure of the company's performance index, namely how far the company's management has managed to manage the company over its shareholders so that market power in the stock exchange is indicated by the sale and purchase of the company's shares in the capital market. The occurrence of the sale and purchase transaction is based on the observations of investors on the company's reports so that in general companies that are known to have good performance will have the prospect of increasing stock prices quickly. In general it is said that financial statements are: A report that shows the company's current financial condition or a certain period (Kasmir, 2010)

One of the tools to analyze financial statements is to use financial ratios that can be used to explain the relationship between two kinds of financial data. Financial ratios are a way to analyze the relationship of various items in a financial statement. These results and analysis are the basis for interpreting the company's financial condition and operating results (Hanafi, 2013)

Besides financial ratios are instructions that guide the management of a company to set various targets and standards. Financial ratios are also very helpful for financial managers / investors in establishing profitable long-term strategies and in making effective short-term decisions. (Wiagustini, 2014)

Financial ratios are grouped into 5 parts, namely: liquidity ratios, solvency/leverage ratios, profitability ratios, activity ratios, and valuation/market ratios. The liquidity ratio measures the company's ability to meet its short-term obligations as they fall due. The solvency/leverage ratio is a ratio to measure how far the company is financed by borrowed funds. Profitability ratio is a ratio to measure the company's ability to generate profits. The activity ratio is a ratio to measure the effectiveness of the company in utilizing its funding sources. The valuation/market ratio is a ratio to measure market recognition of the financial condition achieved by the company. (Wiagustini, 2014:86)

One of the profitability ratios is Return on Assets (ROA). Where ROA shows the ability of capital invested in total assets to generate company profits. When investing, most investors tend to associate the amount of profitability generated with dividends. This assumption is not entirely wrong, because the higher the company's ability to generate profits, the higher the cash flow into cash. Thus encouraging investors to buy the company's shares. Research by Pranata and Kurnia (2016) Profitability has a significant effect on stock prices. While Itabillah (2012) Return on assets (ROA) has no significant effect on stock prices. This research is interesting to do because of the conflict between the research of Pranata and Kurnia (2016) and Itabillah (2012).

The liquidity ratio is proxied by the Current Ratio (current ratio) which is a ratio to measure the company's ability to pay short-term obligations or debts that are due immediately when billed in their entirety. According to Harahap (2010: 120) states the greater the ratio of current assets to current liabilities, the higher the company's ability to cover its short-term obligations. This current ratio is a form of measuring the level of security of a company. If the company's current ratio is low, it can be said that the company lacks capital in paying its obligations. However, if the company's current ratio is high, it does not mean that the company's condition is good, because the cash from the company could be used badly. Research by Rusli (2011), Pranata and Kurnia (2016) and the current ratio have no significant

effect on stock prices. While Research Ratna (2009) current ratio has a significant effect on stock prices. This is inconsistent with the theory put forward by Rusli (2011), Pranata and Kurnia (2016) and Ratna (2009) that a good current ratio is considered a good and good company, but if the current ratio is too high it is also considered not good because can indicate a problem in the company.

In the process of making economic decisions, in addition to using information from accounting profit, users of the company's financial statements evaluate the company's ability to generate cash and cash equivalents and the certainty of their acquisition through cash flow statements. Cash flow statement information is part of the financial statements that are very useful to assist investors in making decisions. Adiliawan's research (2010) states that cash flow has a significant effect on stock prices, while Nelvianti (2013) states that cash flow has no significant effect on stock prices.

Investors have the main goal in investing their funds into the company, namely to seek income or return on investment in the form of dividend income and income from the difference between the selling price of shares and the purchase price (capital gain). relatively stable dividends because dividend stability can increase investor confidence in the company, thereby reducing investor uncertainty in investing their funds into the company.

Dividends can help provide good information about the company's management to the capital market, so it can be said that dividends are seen as a signal to the company's prospects. If dividends are in accordance with managerial projections of future investment opportunities, companies will be able to maintain stable dividends and obtain equity funding needed internally. In making decisions about the policy of the amount of profits to be distributed and which will be withheld, theoretically there are several factors that influence or determine. Of the several factors that can affect the Dividend Payout Ratio (DPR) and stock prices financially, the most important are liquidity factors, leverage factors, profitability factors and stock ratio factors. This means that every company has an obligation to share profits in the form of dividends to shareholders and provide stock price information to investors without sacrificing these factors. In the end, it has an impact on the influence between the DPR and stock prices.

The company must be able to determine the profit policy that will be received whether in the form of dividends or retained earnings. Dividends are a compensation given by the company to shareholders usually in cash while retained earnings are part of the profits earned by shareholders which are usually retained as investments for the future for the growth and development of the company. If the company chooses to distribute profits as dividends, it will reduce retained earnings and further reduce the total sources of internal funds or internal financing. On the other hand, if the company chooses to hold on to the profits earned, then the ability to form internal funds will be even greater. So that the company makes a decision to pay dividends or not to pay to shareholders. Because if the company pays dividends, it will reduce the company's source of funds and vice versa if the company does not pay dividends to shareholders, it will be invested in the future.

According to Riyanto (2010) the stronger the cash position or liquidity and company profits, the greater the dividends to be paid. The growth of a company will be seen one of them from the company's profit. The greater the profit, the more likely it is that the company pays dividends to shareholders, and vice versa.

The size of the company can be used to represent the financial characteristics of the company. One of the benchmarks that show the size of the company is the size of the assets of the company. Companies that have large total assets show that the company has reached stability. This situation also reflects that the company is relatively more stable compared to companies with smaller total assets. The size of a company can affect the stock price of a company. The larger the size of the company that can be seen from the total assets, the higher the company's stock price, whereas if the size of the company gets smaller, the company's share price will be lower. In Nelvianti's research (2013), firm size has no significant effect on stock prices, so the research conducted by Hapsari (2008) which states that firm size has no effect on stock returns

In the research that will be conducted by the researcher is the influence of Profitability proxied by ROA, Liquidity is proxied by Current Ratio, Net Cash Flow, Dividend Policy is proxied by DPR and Company Size. This study will take data with an observation time of 4 years starting from 2015 to 2018

Based on the background that has been stated, the problem can be formulated as follows

1. Does Competence have an effect. Does Profitability (ROA) partially affect Stock Prices in Manufacturing Companies listed on the Indonesia Stock Exchange?
2. Does Liquidity (CR) have a partial effect on Stock Prices in Manufacturing Companies listed on the Indonesia Stock Exchange?
3. Does Net Cash Flow have partial effect on Stock Prices in Manufacturing Companies listed on the Indonesia Stock Exchange?
4. Does the Dividend Policy (DPR) have a partial effect on the stock prices of manufacturing companies listed on the Indonesia Stock Exchange?
5. Does Company Size have a partial effect on Stock Prices in Manufacturing Companies listed on the Indonesia Stock Exchange?

Does Profitability (ROA), Liquidity (CR), Net Cash Flow, Dividend Policy (DPR) and Company Size have a simultaneous effect on Stock Prices in Manufacturing Companies listed on the Indonesia Stock Exchange?

REVIEW OF LITERATURE

A. Financial Ratio

Financial ratio analysis uses existing financial statement data as the basis for its assessment. Although based on past data and conditions, financial ratio analysis is intended to assess risks and opportunities in the future. The measurement and relationship of one item to another in the financial statements that appear in financial ratios can provide meaningful conclusions in determining the level of financial health of a company. However, if only paying attention to one ratio tool is not enough, so it is necessary to carry out an analysis of the competition that is being faced by the company's management in the wider industry, and combined with a qualitative analysis of the business and manufacturing industry, qualitative analysis, and industrial research. .

Financial statements are information media used by the company concerned to report its financial situation and position to interested parties, especially creditors, investors and management of the company itself. And for stakeholders, it is very important to understand and understand the meaning of the financial statements. This can be done by using a financial ratio tool that will help stakeholders in terms of:

- a. Provide a basis for forecasting the company's prospects in the future.
- b. Provide clues or symptoms that arise from the information presented.
- c. Make it easy to interpret financial statements

According to Raharjo (2012) the company's financial ratios are classified into five groups, namely:

- a. Liquidity ratios (liquidity ratios), which show the company's ability to meet short-term obligations.
- b. Solvency ratios (leverage or solvency ratios), which show the company's ability to meet all of its obligations, both short term and long term.
- c. Activity ratios (activity ratios), which indicate the level of effectiveness of the use of assets or company assets.
- d. Profitability and Profitability Ratios (profitability ratios), which show the level of return or gain (profit) compared to sales or assets.
- e. Investment ratios (investment ratios), which show the ratio of investment in securities or securities, especially stocks and bonds.

B. Dividend Policy

According to Sartono (2010) defines dividend policy as: a decision whether the profits earned by the company will be distributed to shareholders as dividends or will be retained in the form of retained earnings for future investment payments. Meanwhile, according to Harmono (2011) dividend policy is

the percentage of profit paid to shareholders in the form of cash dividends, maintaining dividend stability from time to time, distributing stock dividends and distributing shares back.

According to Brigham and Houston (2011), the factors that influence dividend policy are:

1. Limitation of dividend payments
 - a. Bond agreement (bond indenture). Debt contract. Debt contracts usually limit the distribution of dividends from profits generated after the loan is granted.
 - b. Preferred stock restrictions. Usually, common stock dividends cannot be paid if the company has not paid dividends on its preferred stock.
 - c. Impairment of capital rule. Dividend payments that cannot exceed the balance sheet "retained earnings" item.
 - d. Cash availability. Cash dividends can be distributed only with cash. So, the lack of cash in the Company can limit the distribution of dividends. However, this can be overcome if the company obtains a loan.
 - e. Tax penalties for improper withholding of profits. To prevent wealthy individuals from using corporations to evade personal taxes, the tax code makes special provisions regarding the accumulation of unreasonable income.
2. Investment Opportunity
 - a. Number of profitable investment opportunities. If a company has many profitable investment opportunities, this is likely to result in a low payout ratio goal, and vice versa if the company has few profitable investment opportunities.
 - b. Possibility to speed up or postpone the project. The ability to accelerate or suspend projects will allow the company to be more consistent with a stable dividend policy.
3. Alternative Capital Sources
 - a. Cost of selling new shares. If you want to finance a certain amount, you can obtain equity by holding back profits or by selling new common shares.
 - b. Ability to substitute equity for debt. A company can finance a certain number of investments either with debt or equity.
 - c. Control. If management is concerned about maintaining control, management may be reluctant to sell new stock, so the company may retain more profit than it otherwise would.

According to Hanafi (2012) there are five factors that influence dividend policy, including:

1. Investment Opportunity
The greater the investment opportunity, the less dividends that can be distributed. It would be better if the funds are invested in investments that produce a positive NPV.
2. Profitability and Liquidity
Companies that have good cash flow or profitability can pay dividends or increase dividends. The opposite will happen if the cash flow is not good. Another reason for paying dividends is to avoid acquisitions by other companies.
3. Access to Financial Markets
If the company has access to good financial markets, the company can pay high dividends. Good access can help companies meet their liquidity needs.
4. Income Stability
If the company's income is relatively stable, future cash flows can be estimated more accurately.
5. Restrictions
Often debt contracts, bonds, or preferred stock limit the payment of dividends in certain situations

C. Firm Size

One of the benchmarks that shows the size of the company is the total assets or assets of the company. Companies that have large total assets indicate that the company has reached the maturity stage where at this stage the company's cash flow is positive and is considered to have good prospects in a relatively long period of time. In addition, large company assets will make companies more stable

than small companies, because they have better control over market conditions, are less susceptible to economic fluctuations, so they are able to face economic competition.

Company size is a scale where the size of the company can be classified according to various ways, including total assets, stock market value, and others. Basically the size of the company is only divided into three categories, namely: large companies (large firms), medium companies (medium firms), small companies (small firms). Determination of company size is based on the total assets of the company. Payatma (2009: 56) states that the size of the company has an important influence on the integration between parts of the company, this is because large company sizes have larger supporting resources than smaller companies. In a small company, the complexity contained in the organization is also small

The size of a company can affect the stock price of a company. The larger the size of the company that can be seen from the total assets, the higher the company's stock price, whereas if the size of the company gets smaller, the company's share price will be lower (Susanto, 2010:76).

D. Price Stock

The stock price according to Halim (2012) is a summary of the simultaneous and complex influence of various influential variables, especially about economic events and even political, social and security events because shares are evidence of company ownership in the form of securities or securities issued by the company. listed on the stock exchange (go public). Stock price fluctuations are determined by the company's ability to earn a profit, if the profit earned by the company is relatively high, it will have a positive effect on stock prices on the stock exchange which has a direct impact on demand and is followed by increased stock prices. In his book also mentioned terms related to stock prices are:

- 1) The market price is the selling price from one investor to another, the price published every day is the market price.
- 2) The nominal price is the price set by the issuer to value each issued share.
- 3) The closing price is the price asked by the seller or buyer at the end of the exchange.
- 4) Initial price is the price before the shares are listed on the stock exchange or is the selling price from the underwriter to investors, the amount of this initial price depends on the agreement between the issuer and the underwriter.
- 5) Share premium is the difference between the normal price and the initial price.

Shares are determined according to the law of supply and demand or bargaining power. However, in the long term, the performance of the issuer company and the movement of stock prices will generally move in the same direction. However, keep in mind that there is no stock market that is constantly going up and there is also no stock market that is constantly going down. The movement of stock prices over a certain period of time generally forms a certain pattern.

Based on its function, the value of a stock is divided into three types (Pandji and Pakarti, 2012), which are as follows:

a) *Par Value/ Stade Value / Face Value*

Value listed on shares for accounting purposes (Ketentuan UU PT No. 1/1195).

1. The nominal value is stated in the Indonesian currency
2. Shares without par value cannot be issued

This nominal value is not used to measure something. The number of shares issued by the company multiplied by the nominal value is the fully paid up capital for a company, and in the accounting records the nominal value is recorded as the company's equity capital in the balance sheet. For the same type of share must have one type of nominal value.

b) *Base Price*

Initial price (to determine the base value), is used in calculating the stock price index. The base price will change according to the issuer's actions. For new shares, the base price is the initial price.

Base Value = Base Price x Total Shares outstanding

c) *Market Price*

The market price is the price in the real market, and is the easiest price to determine because it is the price of a stock in the ongoing market or if the market is closed, then the market price is the closing price. This price occurs after the shares are listed on the exchange, both the main exchange and OTC (Over the counter market). Transactions here no longer involve issuers and underwriters. This market price is the selling price from one investor to another and is referred to as the secondary market price. It is this market price that states ups and downs of a stock and every day announced in newspapers or in other media.

Market Value = Market Price x Total Shares outstanding (Market Capitalization)

There are many factors that influence stock prices, both fundamental and technical. However, if explained simply, the variability of stock prices depends on the income and dividends that occur in a company. Broadly speaking, according to Arifin (2012), the factors that affect stock prices are as follows:

a. Offers and Requests

Stock prices are determined by market forces, in the sense that it depends on supply and demand (shares are liquid). The amount of demand and supply will reflect market forces. If supply is greater than demand, the price will generally fall. On the other hand, if supply is less than demand, the exchange rate will generally rise.

b. Capital Market Efficiency

Efficiency of the capital market is a capital market in which the prices of securities reflect all relevant information. The faster new information is reflected in the price of a security, the more efficient the capital market will be

RESEARCH METHODS

The type of research used is hypothesis testing, namely explaining the nature of certain relationships, or determining differences between groups or the independence (independence) of two or more factors in a situation (Sekaran, 2012).

According to Sugiyono (2014) defines population as a generalization area consisting of: objects/subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions. The population used in this study are manufacturing companies listed on the Indonesia Stock Exchange. The study population period includes data from 2015 to 2018. The number of manufacturing companies listed on the Indonesia Stock Exchange is 144 companies

Sampling was carried out using a non-probability sampling design technique, namely by using purposive sampling. According to Sugiyono (2014) the notion of purposive sampling is a sampling technique of data sources with certain considerations. The data used are quantitative secondary data, with financial information obtained by accessing the website www.idx.co.id, namely the financial statements of each company. The criteria for this research sample are:

1. Manufacturing companies listed on the Indonesia Stock Exchange during the study, namely 2015-2018, which included complete data consecutively during the research period.
2. Manufacturing companies that publish complete financial statements listed on the Indonesia Stock Exchange for the 2015-2018 period.
3. The companies used as samples are Manufacturing companies that pay dividends during the 2015-2018 research period.
4. The issuer's fiscal year ends in December. This criterion is to ensure that the sample avoids any partial influence in the calculation of financial ratios

Table 1
Sampling Technique

Description	Amount
Total Population	144
Manufacturing companies listed on the IDX period 2015-2018	(15)
Manufacturing companies listed on the IDX that do not pay dividends for the period 2015-2018	(107)
Did not publish financial statements as of December 31, 2015-2018 and reports as of December 31 have been audited	(0)
Issuer's fiscal year does not end in December	(0)
Total Sample	22

Source : Processed Data, 2020

RESULT OF RESEARCH AND DISCUSSION

A. Normality Result

a) Normality Test

The p value for each tested variable is greater than 0.05, then the variable data with a total sample of 22 is normal or meets the normality test requirements.

b) Heteroscedasticity Test

The scatterplot image does not form a certain pattern and the points spread above and below the number 0 both on the Y axis. The conclusion is that the regression is free from heteroscedasticity cases and meets the requirements of the classical assumption test about heteroscedasticity.

c) Multicollinearity Test

The result is that there is no independent variable that has a tolerance value of less than 0.10 which means there is no correlation between variables whose value is more than 95%. The results of the calculation of the Variance Inflation Factor (VIF) value also show the same thing, there is no independent variable that has a VIF value of more than 10. So, it can be concluded that there is no multicollinearity between the independent variables in the regression model.

d) Autocorrelation Test

The DW value of 1,776 has met the requirements for no autocorrelation that $DU < DW < 4 - DU$ ($1.774 < 1.776 < 2.226$)

B. Analisis Regresi Berganda

Based on the results of multiple regression analysis, the regression coefficient obtained from the Understandardized Coefficient B, it is obtained that the multiple linear equations are obtained as follows:

$$Y = -7.143 + 0.050 X_1 + 0.001 X_2 + 0.127X_3 - 0.003X_4 + 0.367X_5 + e$$

C. Hypotesis Test

a) Hypotesis 1

Profitability-ROA (X1) partially has a significant effect on the Stock Price variable (Y) because $t_{count} 4.840 > t_{table} 1.989$ with a probability (sign) of $0.00 < 0.05$, then H_0 is rejected and H_1 is accepted. The higher the ROA, the stock price also getting higher

b) Hypotesis 2

Liquidity-Curent Ratio (X2) variable partially does not have a significant effect on the Stock Price (Y) variable because $t_{count} 1.327 < t_{table} 1.989$ with probability (sign) $0.188 > 0.05$, then H_0 is accepted and H_2 is rejected. This states that liquidity does not affect stock prices. Thus, the current ratio is not considered by investors to invest their funds. The company may use liquidity to purchase fixed assets/current assets for investment purposes or for operational costs. The greater the company's ability to borrow, the greater the flexibility to borrow so that companies do not need to worry about the current ratio affecting stock prices (Itabillah, 2012)

c) Hypotesis 3

The net cash flow variable (X3) partially has no significant effect on the stock price variable (Y) because $t_{count} 0.888 < t_{table} 1.989$ with probability (sign) $0.377 > 0.05$, then H_0 is accepted and H_3 is rejected. This means that there is no significant effect and this indicates that the high and low total cash flow of the company has no effect on the increase in stock prices and this means that the net cash flow variable cannot be used as an indicator in predicting stock prices.

The cash flow report contains operational, financing and investment information that determines whether the company's net cash flows can generate sufficient cash flow to repay loans, maintain the company's operating capability, pay dividends, and make new investments without relying on external funding sources. Cash flow information published, shows that investors consider cash flow information not informative enough as a measure of company performance. It also assumes that the size of the company's cash flow value is not able to affect the increase in stock prices. Investors in this case do not see that cash flow reporting has not been fully used by investors in making decisions in the capital market

d) Hypotesis 4

The dividend policy variable-DPR (X4) partially has no significant effect on the Stock Price variable (Y) because $t_{count} -0.670 > t_{table} -1.989$ with probability (sign) $0.504 > 0.05$, then H_0 is accepted and H_4 is rejected. This states that the DPR does not affect the share price. Thus, the DPR is not considered by investors to invest their funds

e) Hypotesis 5

Firm size variable (X5) partially has a significant effect on the stock price variable (Y) because $t_{count} 2.186 > t_{table} 1.987$ with probability (sign) $0.032 < 0.05$, then H_0 is rejected and H_5 is accepted. This means that there is an influence between the size of the company on the stock price. The results showed that the higher the size, the higher the stock price. The size of the company plays a role in the size or high share price. The larger the company, the easier it will be to obtain loan funds to carry out its operational activities or to prosper shareholders by distributing dividends so that they do not depend on internal funding alone. The larger the size of the company, the company will have access to good financial markets

f) Hypotesis 6

Fcount is greater than Ftable, namely $13,570 > 3.957$ and sign < 0.05 . It can be concluded that the independent variables (X1, X2, X3, X4 and X5) jointly have a significant effect on the dependent variable (Y). This proves that the company's financial statement information is used by investors in making investment decisions

D. Coefficient of Determination (R^2)

The coefficient of determination (R^2) is a measure of the suitability of multiple linear lines to a data. The coefficient of determination (R^2) obtained is 0.565 (56.5%) this means that the dependent variable, namely the stock price can be explained by the variation of the independent variables, namely Profitability (X1), Liquidity (X2), Net Cash Flow (X3), Dividend Policy (X4) and Firm Size (X5). While 0.435 (43.5%) is explained by other factors not examined in this study such as solvency, book value of equity, inflation, bank interest rates (SBI) and others.

CONCLUSIONS AND SUGGESTIONS

A. Conclusion

This study was conducted to determine the effect of profitability, liquidity, net cash flow, dividend policy and firm size on stock prices in manufacturing companies listed on the Indonesia Stock Exchange either partially or simultaneously. Based on the analysis and discussion of the results of hypothesis testing that has been carried out, conclusions from this study can be proposed, namely:

- a. Based on the first hypothesis testing, there is evidence that the independent variable profitability (ROA) has a significant effect on stock prices, because the value of t count > t table so that H1 is accepted.
- b. Testing the second hypothesis which aims to test the effect of Liquidity (CR) on Stock Prices, found evidence that the Current Ratio has no significant effect on Stock Prices, because the value of t count < t table so H2 is rejected.
- c. Testing the third hypothesis which aims to test the effect of net cash flow on stock prices, found evidence that net cash flow has no significant effect on stock prices, because the value of - t arithmetic > - t table so H3 is rejected.
- d. Testing the fourth hypothesis which aims to test the effect of Dividend Policy (DPR) on Stock Prices, found evidence that Dividend Payout Ratio (DPR) has no effect on Stock Prices, because the value of t count < t table so H4 is rejected.
- e. Testing the fifth hypothesis which aims to test the effect of firm size on stock prices, found evidence that firm size has a positive and significant effect on stock prices, because the value of t count > t table so H5 is accepted
- f. Testing the sixth hypothesis which aims to simultaneously test the effect of profitability, liquidity, net cash flow, dividend policy and firm size on stock prices, found evidence that profitability, liquidity, net cash flow, dividend policy and firm size have a positive and significant effect on stock prices. , because the calculated F value > F table so H6 is accepted

B. Suggestion

Based on the results and conclusions described, this study produces several suggestions that are expected to be used in further research, including:

- a. Investors must collect data and information to be used as a basis for deciding to cooperate in investing in companies.
- b. Companies should publish financial reports on time in print media and on the Indonesian Stock Exchange website (idx.co.id) so that the information obtained by users of financial statement information is wider and easier to obtain.
- c. The company continues to maintain the stability of all financial instruments such as profitability, liquidity, net cash flow, dividend policy and company size because in order to carry out business development activities and attract the attention of market participants to invest in the company, it is very important to maintain the company's fund needs so that operational activities and the existence of the company can be maintained in the long term
- d. Further research needs to consider the selection of populations and samples from other business sectors because this may affect the level of significance of the research model.
- e. In addition to profitability, liquidity, net cash flow, dividend policy and company size which are used as independent variables in this study, there are other variables that affect stock

prices, such as corporate governance mechanisms, namely managerial ownership, institutional ownership, and the size of the board of directors, solvency, book value of equity, external factors (inflation, bank interest rates, gross domestic product) and others.

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