THE COMPANIES LISTED IN IDX30 BANKING SUB-SECTOR PERFORMANCE: DIVIDEND PAYOUT RATIO, PRICE EARNINGS RATIO, PRICE BOOK VALUE RATIO AND EARNING PER SHARE ON COMPANIES STOCK PRICE IN 2017-2021

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Abstract: *This study was conducted to determine whether there is a significant effect of Dividend Payout Ratio (DPR), Price Earnings Ratio (PER), Price Book Value (PBV), and Earning Per Share (EPS) on the Stock Price of Companies Listed in IDX30 Banking Sub-Sector Period 2017-2021. The population in this study is companies listed on the Indonesia Stock Exchange which are in Index 30 during the period 2017–2021. This research used purposive sampling in choosing financials sector companies with sub-sector banks. The result shows that partially DPR, PBV and EPS can affect the stock price. PER was not affecting Stock price.*

Keywords: Dividend Payout Ratio, Price Earnings Ratio, Price Book Value, Earning Per Share, Stock Price

Introduction

IDX (Indonesian Stock Exchange) is a stock exchange operating in Indonesia. There are several types of stock indexes that can be used, one of which is the IDX30. The IDX30 is an index that measures the price performance of 30 stocks with the highest level of liquidity and large market capitalization, or we often call them big cap or blue-chip stocks. Because it relates to liquidity and capitalization levels, company listed in IDX30 change frequently. The IDX will carry out minor and major evaluations of the shares in the IDX30 stock index group, every 3-6 months to find out whether they still meet the requirements and can meet the predetermined criteria, namely liquidity and large capitalization. If indeed the performance decreases, then the position will be tied to stocks with a higher level of liquidity and capitalization.

The Dividend Payout Ratio (DPR) is a ratio that shows the results of a comparison between cash dividends per share and earnings per share. Price earnings ratio (PER) is the ratio used to assess the price of shares based on the company's ability to generate net income. Price to book value (PBV) is the value given by investors or how an investor values an issuer. By knowing the PBV value, investors can choose companies that have high growth with low risk. Earnings Per Share (EPS) This ratio compares the company's net profit to the number of shares outstanding in the capital market, which describes the company's profitability as reflected in each share from the shareholder's point of view. The stock price is the price set for a company for other parties who wish to have share ownership rights. The value of stock prices always changes all the time. The value of the share price is influenced by the supply and demand that occurs between sellers and buyers of shares.

Literature Review

This research examines the influence of dividend payout ratio, price earnings ratio, price book value, earning per share, to stock price. Stock price definitions according to Brigham & Houston (2019) market price (stock price) is stock value based on detectable information but may not be as true as marginal investors know. According to Keown et al. (2004), the stock price reflects the expected cash flow possible for shareholders. Investors will act quickly against all the information on the market in relation to the value of the company by buying, selling or waiting and seeing or cut loss. According to Brealey et al. (2011) the stock price reflects investor confidence about the earning power of the company's current and future assets. that is why the stock price are fluctuated based on several financial indicator.

Previous research by Badruzaman & Kusmayadia (2017) entitled "Dividend Payout Ratio Influence Towards Stock Price (Survey of the firm LQ45 listed in Indonesia Exchange)", the results obtained from the research there is a positive and significant effect of Dividend Payout Ratio (DPR) on stock price. Andamari et al (2021) stated in the paper entitled with "The Influence of Earning Per Share, Price Earnings Ratio and Price to Book Value toward Price of Stock Coal Mining Companies Listed in the Indonesia Stock Exchange During 2014", the results obtained from the research there is a positive and significant effect of Price Earnings Ratio (PER) on stock price. Research that conducted by Larojan (2021) entitled "Impact of Accounting Ratio on Stock Market Price of Listed Companies in Colombo Stock Exchange 2015-2019", the results obtained from the research there is a positive and significant effect of Price Book Value (PBV) ratio on Stock Price. Pradhan & Dahal (2018) make a publication on "Factors Affecting the Share Price: Evidence from Nepalese Commercial Bank 2002-2014", the results obtained from the research there is a positive and significant effect of Earnings Per Share (EPS) on stock price.

The definition on each variable explain in Gitman & Zutter (2015) that define Dividend Payout Ratio (DPR) shows the percentage of every penny earned that the firm distributes to shareholders in cash which is calculated by dividing the firm's cash dividends per share by its earnings per share.Brigham & Houston, (2019) stated companies that are considered good by investors are those that make good profits, have low risks, and high growth rates have a have a high Price Book Ration (PBV) ratio. Gitman & Zutter (2015) define that Earning Per Share (EPS) is generally represents the number of moneys earned during the period on behalf of each outstanding share of common stock. Price earnings ratio (PER) indicates the level of self-belief that investors have within the firm's next performance. The higher the price earnings ratio shows the greater the investor self-belief (Gitman & Zutter, 2015). So that, the hypothesis constructed as follows.

H1: The Influence of Dividend Payout Ratio (DPR) on Stock Price.
H2: The Influence of Price Earnings Ratio (PER) on Stock Price.
H3: The Influence of Price Book Value (PBV) ratio on Stock Price.
H4: The Influence of Earning Per Share (EPS) on Stock Price.
H5: The Simultaneous Influence of Dividend Payout Ratio (DPR), Price Earnings Ratio (PER), Price Book Value (PBV) and Earning Per Share on Stock Price.

The framework of this research is The Influence of Dividend Yield Ratio (DPR), Price Earnings Ratio (PER), Price Book Value (PBV) and Earnings Per Share (EPS) on Stock Price (Case Study of Companies Listed in IDX30 Banking Sub Sectors Period 2017-2021), then the conceptual framework of the research described below.
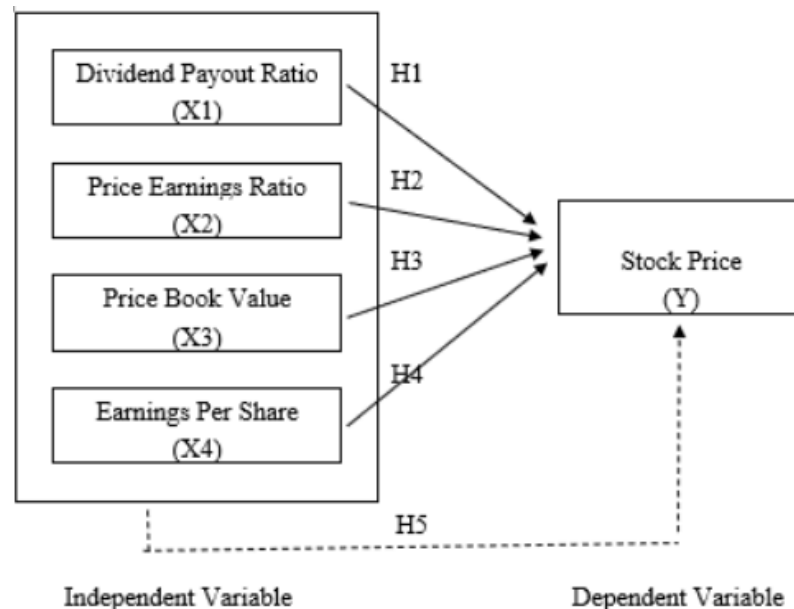
Method
This study involved five variables consisting of one dependent variable and four independent variables. The dependent variable is stock price and the independent variables are Dividend Payout Ratio (DPR), Price Earnings Ratio (PER), Price Book Value (PBV) and Earnings Per Share (EPS). The population in this study is companies listed on the Indonesia Stock Exchange which are in Index 30 during the period 2017–2021. In this study, researcher used purposive sampling in choosing financials sector companies with sub-sector banks with the following criteria:

a. Sub-sector banks provide complete financial statements during the period 2017-2021.
b. The financial statements provided are quarterly financial statements for the period 2017-2021. that have been published by the Indonesia Stock Exchange (IDX).
c. Sub-sector banks companies have the required data related to the measurement of variables used for research during the period 2017-2021.

So that, five companies include that consist of Bank Central Asia (BBCA), Bank Negara Indonesia (BBNI), Bank Rakyat Indonesia (BBRI), Bank Tabungan Negara (BBTN), and Bank Mandiri (BMRI). Data examine trough regression that must passed classical test, partial test, simulant test, and coefficient of determination test.

Result and Discussion
The first hypothesis which stated that Dividend Payout Ratio (DPR) has a significant positive influence on the Stock Price in case study of companies listed in IDX30 Banking Sub-Sector period 2017-2021 is accepted. This is proven by the results of the partial test analysis show that the Dividend Payout Ratio (DPR) has a significant effect on stock prices positively. This is indicated by a regression significance value of 0,040 below 0,05. The higher of the Dividend Payout Ratio (DPR) distributed by the company, the more it will increase the value of the Stock Price of the companies listed in IDX30 Banking Sub-Sector period 2017-2021 and the lower of the Dividend Payout Ratio (DPR) distributed by the company, the more it will decrease the value of the Stock Price of the companies listed in IDX30 Banking Sub-Sector period 2017-2021.

The second hypothesis which stated that Price Earnings Ratio (PER) has a significant positive influence on Stock Price in case study of companies listed in IDX30 Banking Sub-Sector period 2017-2021 is rejected. This is proven by the results of the partial test analysis show that the Price Earnings Ratio (PER) does not have a significant effect on the stock price. This is indicated by a regression significance value of 0,292 above 0,05. This means that the higher or the lower of the PER ratio does not have a significant effect on the Stock Price of the companies listed in IDX30 Banking Sub-Sector period 2017-2021.

The third hypothesis which stated that Price Book Value (PBV) has a significant effect on the Stock Price in case study of companies listed in IDX30 Banking Sub-Sector period 2017-2021 is accepted. This is proven by the results of the partial test analysis show that the Price Book Value (PBV) has a significant effect on the stock price positively. This is indicated by a regression significance value of 0,001 below 0,05. The higher (lower) of the Stock Price compared to its Price Book Value (PBV) indicates that investors believe in the company's prospects in the future. This makes the demand for stocks increase (decrease) and affects the increase in stock prices.

The fourth hypothesis which stated that Earnings Per Share (EPS) has a significant effect on Stock Prices in case study of companies listed in IDX30 Banking Sub-Sector period 2017-2021 is accepted. This is proven by the results of the partial test analysis show that the Earnings Per Share (EPS) has a significant effect on stock prices positively. This is proven by the results of the partial test analysis show that Earnings Per Share (EPS) has a significant effect on stock prices positively and this variable most dominantly. This is indicated by a regression significance value of 0,000 below 0,05. The higher of Earnings Per Share (EPS) the distributed by the company, the more it will increase the value of the Stock Price of the companies listed in IDX30 Banking Sub-Sector period 2017-2021 and the lower of the Earnings Per Share (EPS)) distributed by the company, the more it will decrease the value of the Stock Price of the companies listed in IDX30 Banking Sub-Sector period 2017-2021.

The fifth hypothesis which stated that Dividend Payout Ratio (DPR), Price Earnings Ratio (PER), Price Book Value (PBV) and Earning Per Share on Stock Price have a significant simultaneous effect on the Stock Prices in case study of companies listed in IDX30 Banking Sub-Sector period 2017-2021 is accepted. This is proven by the results of the simultaneous F test analysis show that the Dividend Payout Ratio (DPR), Price Earnings Ratio (PER), Price Book Value (PBV) and Earning Per Share on Stock Price have a significant simultaneous effect on the Stock Price. This is indicated by a regression significance value of 0,00 below 0,05.

Conclusion

Based on the results of research that has been previously presented, it can be concluded that in partial test show that Dividend Payout Ratio (DPR), Price Book Value (PBV) and Earning Per Share (EPS) have a significant effect on Stock Price in IDX30 Banking Sub-Sector period 2017-2021. While the partial test of Price Earnings Ratio (PER) does not have a significant effect on Stock Price in IDX30 Banking Sub-Sector period 2017-2021. The result of simultaneous F-test show that Dividend Payout Ratio (DPR), Price Earnings Ratio (PER), Price Book Value (PBV) and Earning Per Share (EPS) on Stock Price have a simultaneous effect on Stock Price in IDX30 Banking Sub-Sector period 2017-2021. Price Earning Ratio is not favourable for investor to indicate the stock price fluctuation.

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