EFFECT OF GROWTH IN SALES, PROFITABILITY, AND SOLVABILITY ON SHARE PRICES

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Abstract-The purpose of this research is to know whether sales growth, profitability, and solvency affect stock prices at the manufacturing company of consumer goods industry sub-sectors which are listed on the Indonesia Stock Exchange (BEI) in 2016-2018. The sampling technique used was purpose sampling with sample number 55 manufacturing company of consumer goods industry sub-sectors which are listed on the Indonesia Stock Exchange (BEI) in 2016-2018 and got 19 companies according to criteria. The analytical technique using the chowtest test with the best panel data model is the Random Effect Model (REM) test. To help the analysis of data the author uses the help of Eviews Software Version 10.0. The results of research showed that sales growth, profitability, affect stock prices while solvency does not affect stock prices.

Keywords: *Sales Growth, Profitability, Solvability, and Stock Prices*

Abstract-The purpose of this study is to determine whether sales growth, profitability, and solvency affect stock prices in manufacturing companies in the consumer goods industry sub-sector listed on the Indonesia Stock Exchange (BEI) 2016-2018. The sampling technique used was purposive sampling with a sample size of 55 manufacturing companies in the consumer goods industry which were listed on the Indonesia Stock Exchange for the period 2016-2018 and obtained 19 companies that matched the criteria. The analysis technique uses the chowtest test with the panel data model, the best is the Random Effect Model (REM) test. To help data analysis the author uses the help of Software Eviews Version 10.0. The results showed that sales growth, profitability,

Keywords: Sales Growth, Profitability, Solvency, and Stock Prices.

I. Introduction

Background

Today, many things can describe how the economic development of a country. One of them is the investment climate in the country. The better the investment climate in the country, the better the economic growth of that country and fight inflation that occurs. In addition, for people who make investments, they can make the investment they make as a means to improve welfare for themselves.

In Indonesia, since November 2015, the government began campaigning for the 'Yuk Nabung Saham' program. This movement is intended to invite the public as potential investors to invest in the capital market by buying shares regularly and periodically. The aim is to attract new investors to participate in investing in the capital market. In addition, this activity is also carried out to invest in the need for investment in the capital market, which will indirectly increase the number of active investors in the capital market.

Shares can be defined as a sign of an individual's or party's (business entity's) equity participation in a company or limited liability company. By including this capital, the party has a claim on the income earned by the company, a claim on assets owned by the company, and is entitled to attend the General Meeting of Shareholders (GMS).

Shares that are traded on the stock exchange have an acquisition value known as the share price. Share price is the price of shares on the stock exchange at a certain time determined by market players and by the demand and supply of the relevant shares on the capital market. The higher the share price will usually provide maximum returns for investors.

As an investor, many factors are considered to be able to see that the selected stock will provide the maximum return. One of them is analyzing stock fundamentals before investing. This is intended so that investors can get maximum returns on their investment. There are three factors that can be used as a reference in selecting stocks in order to produce maximum investment returns, namely by looking at the company's sales growth, company profitability, and the company's debt to equity ratio.

The next factor is the profitability of a company. Profitability is the company's ability to generate profits through its assets. Companies that are able to generate maximum return on their assets will have high share prices. This is because the company is able to manage the company well so as to generate profits and have an impact on increasing share value.

The last factor is solvency. Solvency is the company's ability to pay off all of its obligations. In its application, analyzing company debt is used to determine the company's ability to pay off its obligations or not. Companies that have the ability to pay off their obligations will tend to be said to be healthy companies. If the company is said to be healthy, investors will not hesitate to invest in it.

Research conducted by Muhammad Zaki, Islahuddin, and M. Shabri (2017) shows that profitability has a significant positive effect on stock prices. Other research conducted by Fransiska FW Bailia, Parengkuan Tommy, Dedy N. Baramulli showed that the debt to equity ratio affects stock prices. Research conducted by Windari Ade Fransiska and Mariaty Ibrahim (2018) shows that there is no influence between sales growth on stock prices.

From what has been stated previously, the researchers are interested in bringing this topic into research entitled "The Effect of Sales Growth, Profitability and Solvency on Stock Prices. Empirical

Studies on Manufacturing Companies in the Consumer Goods Industry Subsector Listed on the Indonesia Stock Exchange in 2016-2018."

Formulation of the problem

Based on the research background that has been previously presented, the following research problems can be formulated:

1. Does sales growth have a partially significant effect on stock prices in manufacturing companies in the consumer goods industry sector listed on the Indonesian stock exchange in 2016-2018?
2. Does profitability have a partially significant effect on stock prices in consumer goods industry manufacturing companies listed on the Indonesian stock exchange in 2016-2018?
3. Does solvency have a partially significant effect on stock prices in consumer goods industrial manufacturing companies listed on the Indonesian stock exchange in 2016-2018?
4. Do sales growth, profitability, and solvency have a significant effect simultaneously on stock prices in consumer goods industrial manufacturing companies listed on the Indonesian stock exchange in 2016-2018?

Research purposes

Based on the formulation of the problem described above, the research objectives carried out by the researcher are as follows:

1. To determine the effect of the partial significance of sales growth on stock prices in consumer goods industry manufacturing companies listed on the Indonesian stock exchange in 2016-2018.
2. To determine the effect of the partial significance of profitability on stock prices in consumer goods industrial manufacturing companies listed on the Indonesian stock exchange 2016-2018.
3. This is to determine the partial significance effect of solvency on stock prices in manufacturing companies in the consumer goods industry listed on the Indonesian stock exchange in 2016-2018.
4. To determine the effect of the simultaneous significance of sales growth, profitability, and solvency on stock prices in manufacturing companies in the consumer goods industry listed on the Indonesian stock exchange in 2016-2018.

Benefits of Research

The benefits that can be obtained from this research are:

1. For researchers
   This research can be useful to add insight and understanding of the capital market, especially regarding the financial ratios of sales growth, profitability, solvency on stock prices.
2. For Companies
   This research can be useful as a measure of company performance and an evaluation to improve company performance.
3. For the Community
   This research can be useful as a reference and additional knowledge in studying the same field and as a comparison for other authors.

II. LITERATURE REVIEW

Review of Previous Research Results

1. Research conducted by ežana Milošević Avdalović, Ivan Milenković (2017). The results of this study are All variables have significant impact Except ROE and Price Earning Ratio.
2. Research conducted by Fransiska FW Bailia, Parengkuan Tommy, Dedy N. Baramulli (2016). The results of his research indicate that the Debt to Equity Ratio has an effect on stock prices, sales growth and dividend payout has no effect on stock prices.
3. Research conducted by Hikmah (2018). The results of his research indicate that ROE and EPS partially have a significant effect on stock prices while ROA does not have a significant effect on stock prices.
4. Research conducted by Dilawati Hikmah, Ramadhani Hamzah, Elenora Sofilda (2015). The results of this study are only NPM and PER that affect stock prices. Other variables do not have a significant effect on stock prices.
5. Research conducted by Santi Octaviani, Dahlia Komalasari (2015). The results of this study are profitability has an effect on stock prices, liquidity and solvency has no effect on stock prices.
6. Research conducted by Nita Fitriani Arifin, Silviana Agustami (2016). The result of this research is solvency and market ratio have an effect on stock prices, while the others have no effect on stock prices.

Theoretical basis

Definition of Shares

In simple terms, shares can be interpreted as securities that can be bought or sold by individuals or institutions in the market where these documents are traded (Gatot, 2014). Shares can be interpreted as a sign of the participation or ownership of individual investors or institutional investors or traders on their investment or an amount of funds invested in a company (Musdalifah et al, 2015). According to researchers, shares are marketable securities which indicate that a company's share of ownership can be traded.

Types of Shares

There are several points of view for classifying types of stocks (Musdalifah et al, 2015):

1. Shares are reviewed in terms of their ability to collect or claim:
   a. Common stock
   b. Preferred Stock
2. Shares in terms of transfer:
   a. Shares on Show
   b. Shares on behalf of
3. Shares in terms of their trading performance:
   a. *Blue Chip Stocks*
   b. *Income Stocks*
   c. *Growth Stocks*

d. *Speculative Stocks*

e. *Counter Cyclical Stocks*

Stock price

A share is a sheet of paper or an equivalent which explains that the owner of the paper or its equivalent is the share owner of a company that issues paper or its equivalent (Musdalifah et al., 2015).

Profitability

According to Munawir (2014: 33), the definition of profitability is as follows: “Profitability is a company's ability to generate profits for a certain period.

According to Hery (2017: 7) profitability is as follows: "Profitability is the ability of a company to get profit (profit) through all its resources (Hery 2017: 7)".

Meanwhile, according to Samryn (2013: 417) the definition of profitability is as follows: "Profitability is an analysis model in the form of a comparison of financial data so that financial information becomes more meaningful".

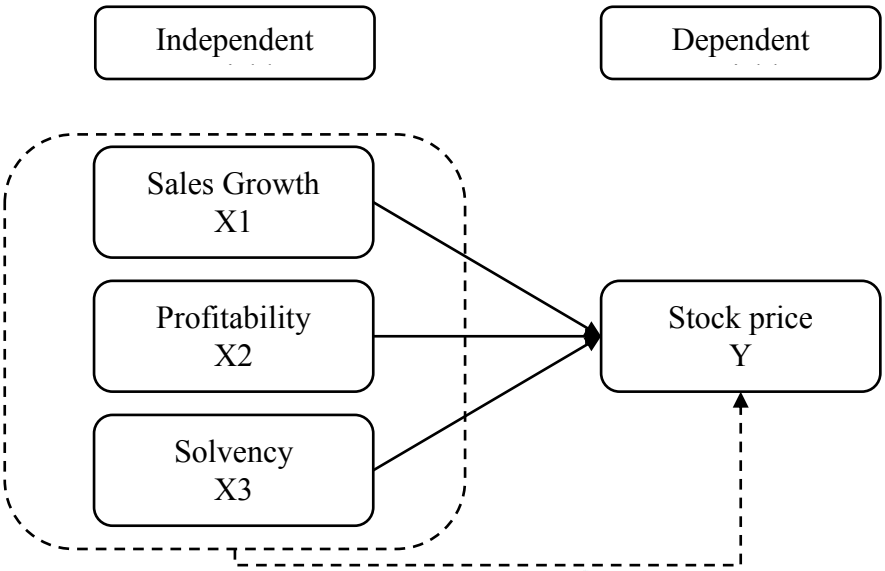
Solvency

Solvency or leverage is a tool used to measure the extent to which the company's assets are financed with debt (Danang: 2013). A company is said to be solvable if the company has sufficient assets or assets to pay all of its debts, on the other hand, if the total assets are insufficient or smaller than the amount of debt, it means the company is insolvable (Maria, 2015) Companies that have a high solvency value will have the possibility to obtain good company performance as well (Hery, 2015).

Conceptual framework

In a framework, the writer describes the definitive concept of this influence which is defined as a relationship between the independent variable and the dependent variable. And how the independent variable affects the dependent variable,

1. The first independent variable (X1) is sales growth.
2. The second independent variable (X2) is profitability.
3. The third independent variable (X3) is solvency.
4. The dependent variable (Y) is the stock price.



Information:

→ The independent variable partially affects the dependent variable

⇢ The independent variable simultaneously affects the dependent variable

III. RESEARCH METHOD

This research is classified as a quantitative study to analyze data with statistical methods to test the research hypothesis. In this study, it explains the effect of sales growth, profitability and solvency on company stock prices. In statistical calculations, the researcher uses Eviews version 10.0.

The data used in this research is secondary data. The object of this research is manufacturing companies, namely the Consumer Goods Industry sector which is listed on the Indonesia Stock Exchange from 2016 to 2018. Data lists of manufacturing companies listed on the Indonesia Stock Exchange are obtained from the official website http://www.idx.co .id and financial reports are taken from the official website of the Indonesia Stock Exchange http://www.idx.co.id. The number of manufacturing companies obtained was 55 companies. When this research was conducted from August - October 2019.

Operationalization of Variables

This study uses 4 (four) variables with details of 3 (three) variables being independent variables or independent variables and 1 (one) dependent variable or dependent variable. The following is an explanation of each variable used in this study:The audit committee variable will be measured by calculating the number of audit committee members with competencies divided by the

total number of company audit committees.

1. **Bound Variable (Dependent)**The dependent variable is a variable that is influenced or becomes the result of other variables (independent variables). This variable is called the dependent variable, response variable or endogen (Sofyan, 2013). In this study, the dependent variable is the stock price.Company size is generally divided into 3 categories, namely large firm, medium firm, and small firm. Firm size = Logarithm of Natural Total Assets.
2. **Independent Variable (Independent)** consists of :
   1) **Sales Growth**
      Sales growth is the increase in the number of sales from year to year or time to time. Sales growth is measured using the increase in sales in the current period compared to the total sales of the previous year. Sales growth is measured using the following formula.

$$PP = \frac{Sales_{t-1} - Sales_t}{Sales_{t-1}}$$

   2) **Profitability**
      Profitability shows the company's ability to generate profits. The ratio used to measure profitability in this study is Return On Equity (ROE) which shows the company's ability to generate profits from the company's equity, profitability is measured using the ROE ratio with the following formula:

$$ROE = \frac{Laba\ Bersih_t}{Total\ Ekuitas_t}$$

   3) **Solvency**
      Solvency is the company's ability to measure the company's ability to pay off its debts. In this study, solvency is measured using the Debt to Equity Ratio (DER) which is measured using the following formula:

$$DER = \frac{Total\ Hutang_t}{Total\ Ekuitas_t}$$

Data Analysis Methods

Data processing

In processing and analyzing data using the Eviews program version 10.0, which is a program used to calculate statistical values in the form of descriptive tests, classical assumption tests, panel data regression tests and hypothesis testing.

Presentation of Data

Data is presented in tables and graphs to make it easier to understand. The data that has been collected are then calculated and processed and analyzed further.

Descriptive Statistics Test

Descriptive statistics attempt to describe data originating from a sample, descriptive statistics such as mean, median, mode, maximum, minimum and standard deviation, in the form of numerical analysis or images or diagrams (Wiratna, 2016). This descriptive analysis is used to determine the

effect of sales growth, profitability and solvency on the share price of manufacturing companies in the consumer goods industry listed on the Indonesia Stock Exchange in 2016-2018.

Panel Data Regression Selection

Chow test

Chow test is used to determine whether the panel data regression technique with the Fixed Effect method is better than the regression of the panel data model without dummy variables or the Common Effect method.

Hausman Test

The Hausman test statistic follows the Chi-Squares statistical distribution with the degrees of freedom (df) of the number of independent variables. The null hypothesis is that the appropriate model for panel data regression is the Random Effect model and the alternative hypothesis is that the right model for panel data regression is the Fixed Effect model.

LM test (Lagrange Multipier)

The LM test is based on the Chi-Squares distribution with the degrees of freedom (df) of the number of independent variables. The null hypothesis is that the appropriate model for panel data regression is Common Effect, and the alternative hypothesis is that the correct model for panel data regression is the Random Effect. If the calculated LM value is greater than the critical value of Chi-Squares, the null hypothesis is rejected, which means that the appropriate model for panel data regression is the Random Effect model.

Classic assumption test

Normality test

The purpose of the normality test is to find out whether the distribution of a data follows or is close to the normal distribution, that is, the data distribution is bell shaped. 'Good' data is data that has a pattern like the normal distribution, that is, the distribution of the data is not skewed to the left or right (Singgih Santoso, 2017).

Multicollenarity Test

The multicollinearity test is needed to determine whether there are independent variables that have similarities between the independent variables in a model (Wiratna, 2016).

Heteroscedasticity Test

Heteroscedasticity tests the difference in residual variance from one observation period to another.

Autocoleration Test

The autocorrelation test is related to the effect of observers or data in one variable that is interrelated with one another (Irwan Gani, 2015). The amount of value of a data can be influenced or related to other data. Classical regression requires that the variable should not be symptomatic of autocorrelation.

Hypothesis testing

T test

The t test is used to determine whether the independent variables partially have significant or not significant effect on the dependent variable.

$$H0: \beta = 0$$

This means that there is no influence from the independent variable on the dependent variable.

Ha: β1 <0 or β1> 0

This means that there is an effect of the independent variable on the dependent variable

F test

The F test is used to determine whether the independent variables simultaneously have a significant effect on the dependent variable.

H0 is accepted, if Fcount ≤ Ftable or the sig value> 0.05
H0 is rejected, if Fcount> Ftable or the sig value <0.05

Determination Correlation Test (R square)

The coefficient of determination (R2) in essence measures how far the model is capable of explaining the variation in the dependent variable. The coefficient of determination is zero and one. The small value of R2 means that the ability of the independent variables to explain the variation in the dependent variable is very limited. A value close to one means that the independent variable provides almost all the information needed to predict the variation in the dependent variable (Ghozali, 2011: 97).

Multiple Linear Regression Test

Multiple regression analysis is a data analysis tool used in this study. Multiple regression analysis is used because it is used to test the effect of several independent variables (metrics) on one dependent variable (metric) with the Eviews software version 10.0. In this study, the multiple regression model to be tested is as follows:

$$\boldsymbol{HS = \alpha + \beta_1 PP + \beta_2 ROE + \beta_3 DER + e}$$

Information

HS	: Stock price
α	: Constants
$\beta_1 - \beta_3$	: Regression Coefficient
PP	: Sales Growth
ROE	: Profitability
DER	: Solvency
e	: Residual error

IV. RESEARCH RESULTS AND DISCUSSION

Descriptive Statistics Test Results

Descriptive statistics attempt to describe data originating from a sample, descriptive statistics such as mean, median, mode, maximum, minimum and standard deviation, in the form of numerical analysis or pictures or diagrams.
The following are the results of descriptive statistical testing:

Results of Processing of Independent Variables X3 (Solvency)

Date: 01/30/20
Time: 22:20
Sample: 2016 2018

	Y	X1	X2	X3
Mean	5032,877	0.058465	0.189744	0.826984
Median	885.0000	0.054416	0.090883	0.586169
Maximum	55900.00	0.500238	1.358487	2.654552
Minimum	87.00000	-0.195592	-0.220923	0.083299
Std. Dev.	10996.72	0.108718	0.377450	0.641126
Skewness	3.237061	1.035014	2.235869	0.949033
Kurtosis	13,35099	6.973490	6.859549	3.138016
Jarque-Bera	354.0111	47.67489	82.86981	8.601543
Probability	0.000000	0.000000	0.000000	0.013558
Sum	286874.0	3.332482	10,81539	47,13811
Sum Sq. Dev.	6.77E + 09	0.661902	7.978245	23.01838
Observations	57	57	57	57

Source: The results of data processing with Eviews version 10.0

From the results of descriptive statistical testing conducted on 57 samples, it is known that the mean (average) value of the stock price variable (Y) is 5032,877, the median value of the stock price variable (Y) is 885, the maximum and minimum value of the stock price variable, namely 55900 and 87 where the value is owned by the company Unilever Indonesia Tbk. in 2017 and Budi Starch & Sweetener Tbk. in 2016. The standard deviation value of the stock price is 10996.72.
From the results of descriptive statistical testing conducted on 57 samples, it is known that the mean (average) value of the sales growth variable (X1) is 0.058465, the median value of the stock price variable (X1) is 0.054416, the maximum and minimum value of the sales growth variable is 0.500238 and -0.195592 where the value is owned by Prasidha Aneka Niaga Tbk. in 2017 and Mustika Ratu Tbk. in 2016. The standard deviation value of the stock price is 0.108718.

From the results of descriptive statistical testing conducted on 57 samples, it is known that the mean (average) value of the profitability variable (X2) is 0.189744, the median value of the stock price variable (X2) is 0.090883, the maximum and minimum value of the profitability variable is 1.358487 and -0.220923 where the value is owned by the company Unilever Indonesia Tbk. in 2016 and Bentoel Internasional Investama Tbk. in 2016. The standard deviation value of the stock price is 0.377450.

From the results of descriptive statistical testing conducted on 57 samples, it is known that the mean (average) value of the solvency variable (X3) is 0.826984, the median value of the solvency variable (X3) is 0.586169, the maximum and minimum value of the solvency variable is 2.654552 and 0.083299 where the value is owned by the company Unilever Indonesia Tbk. in 2017 and Budi Starch & Sweetener Tbk. in 2016. The standard deviation value of the stock price is 0.377450.

Results of Selection of Panel Data Regression Normality Test

Chow test

Chow Test Results

Redundant Fixed Effects Tests

Equation: Untitled

Fixed effects cross-section test

Effects Test	Statistics	df	Prob.
Cross-section F	20.761903	(18,35)	0.0000
Chi-square cross-section	140.087089	18	0.0000

Source: The results of data processing using Eviews version 10.0

From the chow test results presented in the table above, it can be seen that Cross-section F has a value of 20.761903 with a probability of 0.0000. The critical F value is 2.77. From these results it can be seen that the calculated F value is greater than the critical F value (20.761903> 2.77) and the probability is smaller than the significance level 0.05 (0.0000 <0.05). Based on the criteria previously described, H0 is rejected and Ha is accepted, which means that the correct model to use is the fixed effect model.

Hausman Test

Hausman Test Results

Correlated Random Effects - Hausman Test
Equation: Untitled
Cross-section random effects test

Test Summary	Chi-Sq. Statistics	Chi-Sq. df	Prob.
Random cross-section	7.803506	3	0.0503

Source: The results of data processing with Eviews version 10.0

. From the results of the Hausman test presented in the table above, it can be seen that the Chi-Square Statistic value is 7.803506 and the probability value is 0.0503. The Chi-Square Table value is 7.814728. Based on these results, it can be seen that the calculated Chi-Square value is smaller than the Chi-Square table value (7.83506 <7814728) and the probability value is above the significance level of 0.05 (0.0503> 0.05). Based on these results, H0 is accepted and Ha is rejected, which means that the Random Effect Model is better chosen in this study.

Langrange Multiplier Test

$$LM = \frac{nT}{2(T-1)}\left[\frac{T^2 \sum \bar{e}^2}{\sum e^2} - 1\right]^2$$

$$LM = \frac{19\ (3)}{2(3-1)}\left[\frac{3^2\ (32885131)}{2118088147} - 1\right]^2$$

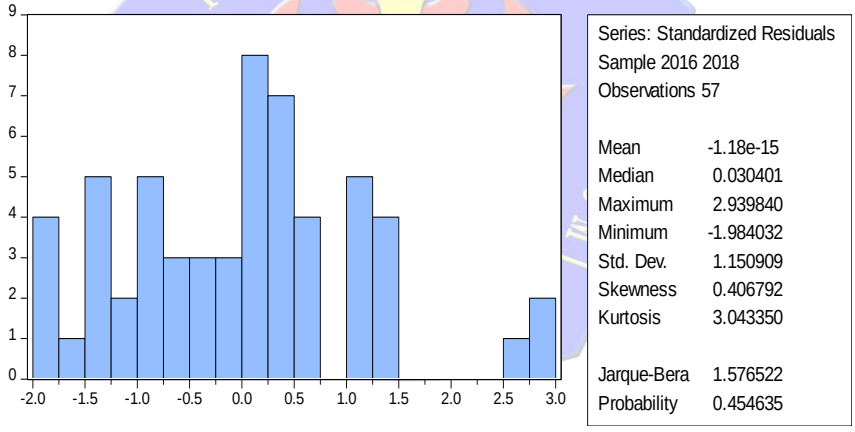
$$LM = 10.5458526$$

From the results of the above calculations, it is obtained that the LM value is 10.5458526. The Chi-Square table value is 7.814728. If these values are compared, then the LMcount value is greater than the Chi-Square value (10.5458526> 7.814728). Based on these results, it can be concluded that H0 is rejected and Ha is accepted, which means that the random effect model is better used in this study.

Classical Assumption Test Results

Classical Normality Assumption Test

Results of Classical Normality Assumption Testing



Source: The results of data processing with Eviews version 10.0

From the test results presented in the image above, it can be seen that the Jarque-Berra value shows the number 1.576522 and the probability value is 0.454635. From these results it can be seen that the probability value is greater than the significance value, namely 0.05 (0.454635> 0.05). Based on the results of testing the classic assumptions of normality, it can be concluded that there is no symptom of normality in this research.

Multicollinearity Classical Assumption Test

Test Results A. The Classical Assumptions of Multicollinearity
Variance Inflation Factors
Date: 02/03/20 Time: 00:47
Sample: 1 57

Included observations: 57

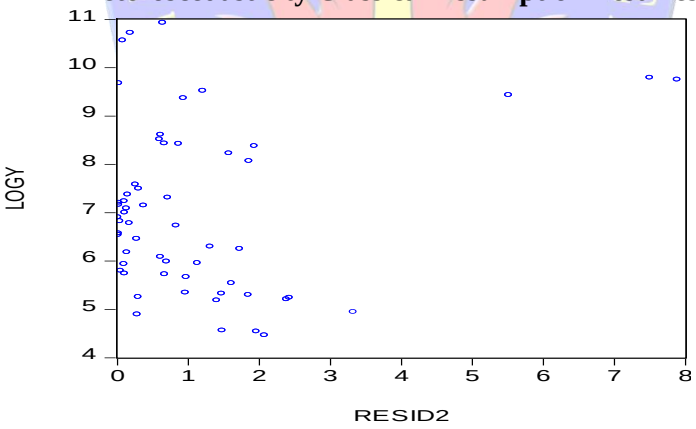
Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	2013059.	2.871197	NA
X1	61540842	1.319292	1.019268
X2	6437739.	1.615783	1.285205
X3	2227847.	3.456325	1.283192

Source: The results of data processing with Eviews version 10.0

From the results of testing the classic multicollinearity assumptions in the table above presented above, it can be seen that the variance inflation factor of sales growth (X1) is 1.019268, the variance inflation factor profitability (X2) is 1.285205, the variance inflation factor solvency value (X3) is 1.283192. From the results of this study, it can be seen that the three variables used in the study, namely sales growth, profitability and solvency, have a variance inflation factor value smaller than 10 (sales growth 1.019268 <10, profitability 1.285205 <10, solvency 1.283192 <10. From the test results It can be concluded that there are no multicollinearity symptoms in this study.

Heteroscedasticity Classical Assumption Test

Table 4.5
Heteroscedasticity Classical Assumption Test Results



Source: The results of data processing with Eviews version 10.0

From the test results presented in the image above, it can be seen that the dots spread out and form a pattern randomly above 0. Based on the criteria mentioned above, it can be concluded that there are no symptoms of heteroscedasticity in this study.

Classical Autocorrelation Assumption Test

Table 4.6
Classical Autocorrelation Assumption Test Results

Dependent Variable: Y
Method: Panel EGLS (Cross-section random effects)
Date: 02/03/20 Time: 01:59
Sample: 2016 2018

Periods included: 3
Cross-sections included: 19
Total panel (balanced) observations: 57
Swamy and Arora estimator of component variances

Weighted Statistics

R-squared	0.347349	Mean dependent var	1027,415
Adjusted R-squared	0.310406	SD dependent var	2862,890
SE of regression	2377,395	Sum squared resid	3.00E + 08
F-statistic	9,402407	Durbin-Watson stat	2.207529
Prob (F-statistic)	0.000044		

Source: The results of data processing with Eviews version 10.0

From the table above, it can be seen that the Durbin Watson value is 2.207529. The Durbin Watson table (k: 3; n: 57) shows dL values 1.4637 and dU 1.6845. based on the criteria previously described, the value of dU <DW (1.6845 <2.207529) and the value of DW <4 - dU (2.207529 <2.3155). From the test results above, it can be seen that the watson durbin value is between the dU and 4-dU values (1.6845 <2.207529 <2.3155). Based on the criteria previously described, it can be concluded that there are no autocorrelation symptoms in this study.

Hypothesis testing
Hypothesis Test Partially

Hypothesis Test Results Partially

Dependent Variable: Y
Method: Panel EGLS (Cross-section random effects)
Date: 01/30/20 Time: 22:20
Sample: 2016 2018
Periods included: 3
Cross-sections included: 19
Total panel (balanced) observations: 57
Swamy and Arora estimator of component variances

Variable	Coefficien	Std. Error	t-Statistic	Prob.
C	**1467,341**	**1826,819**	**0.803222**	**0.4254**
X1	**-7570,105**	**3654,011**	**-2.071725**	**0.0432**
X2	**18733.84**	**3719,691**	**5.036396**	**0.0000**
X3	**548,368**	**1315,487**	**0.416855**	**0.6785**

Source: The results of data processing with Eviews version 10.0

1. Test Results Partial Sales Growth Against Stock Prices.

   From the partial test results presented in table 4:12, it is known that the sales growth variable (X1) has a value of t = -2.071725, while from the distribution table t is sought at a

significant level (α = 5%: 2 = 2.5%) 2-sided test with degrees freedom (df) = nk-1 or (57-3-1 = 53) the results obtained for t table of -2.00575.

The significance value of 0.0432 is lower than the probability value of 0.05. This means that tcount -2.071725 <ttable -2.00575 and a significance value of 0.0432 <0.05, so that Ho1 is rejected and Ha1 is accepted. This means that there is a significant influence between the sales growth variable (X1) on the stock price variable (Y) partially in manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange (IDX) for the 2016-2018 period. This is in line with research conducted by Fransiska FW Bailia, Parengkuan Tommy, Dedy N. Baramulli (2016) which shows that there is no partially significant effect between sales growth on stock prices.

2. Results of Partial Profitability Testing on Stock Prices.

   From the partial test results presented in table 4:12, it is known that the variable profitability (X2) has a value of t = 5.036396 while from the distribution table t is sought at a significant level (α = 5%: 2 = 2.5%) 2-sided test with degrees of freedom df) = nk-1 or (57-3-1 = 53) the result for t table is 2.00575.

   The significance value of 0.0000 is lower than the probability value of 0.05. This means that tcount 5.036396> ttable 2.00575 and a significance value of 0.0000 <0.05, so that Ho2 is rejected and Ha2 is accepted. This means that there is a significant influence between the profitability variable (X2) on the stock price variable (Y) partially in manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange (IDX) for the 2016-2018 period. This is in line with research conducted by Hikmah (2018), Santi Octaviani and Dahlia Komalasari (2016) which shows that there is a partially significant influence between profitability on stock prices.

3. Test Results Partial Solvency on Stock Prices

   From the partial test results presented in table 4:12, it is known that the solvency variable (X3) has a value of t = 0.416855 while from the t distribution table it is sought at a significant level (α = 5%: 2 = 2.5%) 2-sided test with degrees of freedom df) = nk-1 or (57-3-1 = 53) the result for t table is 2.00575.

   The significance value of 0.6785 is higher than the probability value of 0.05. This means that tcount 0.416855 <ttable 2.03951 and a significance value of 0.6785> 0.05, so that Ho3 is accepted and Ha3 is rejected. This means that there is no significant influence between the solvency variable (X3) on the stock price variable (Y) partially in manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange (IDX) for the 2016-2018 period. This is in line with research conducted by Dilawati Hikmah, Ramadhani Hamzah, Elenora Sofilda (2018), Santi Ocaviani, Dahlia Komalasari (2016) which shows that there is no partially significant effect of solvency on stock prices.

Simultaneous Hypothesis Testing

Simultaneous Testing Results

Dependent Variable: Y
Method: Panel EGLS (Cross-section random effects)
Date: 02/03/20 Time: 01:59
Sample: 2016 2018

Periods included: 3
Cross-sections included: 19
Total panel (balanced) observations: 57
Swamy and Arora estimator of component variances

Weighted Statistics

R-squared	**0.347349**	**Mean dependent var**	**1027,415**
Adjusted R-squared	**0.310406**	**SD dependent var**	**2862,890**
SE of regression	**2377,395**	**Sum squared resid**	**3.00E + 08**
F-statistic	**9,402407**	**Durbin-Watson stat**	**2.207529**
Prob (F-statistic)	**0.000044**		

Source: The results of data processing with Eviews version 10.0

From the table presented above, it is known that the variable sales growth (X1), profitability (X2), and solvency (X3) has a value of Fcount = 9.402407 while the Ftable value uses significance (α = 0.05) df1 (k) = 2 and df2 (nk-1) or (57-3-1) = 53 where n is the amount of research data and k is the number of independent variables, the F table result is 2.68 and a significance value of 0.000044. This means that Fcount 3.550> Ftable 2.68 and a significance of 0.000044 <0.05, so that Ho4 is rejected and Ha4 is accepted. So together (simultaneously) sales growth (X1), profitability (X2), and solvency (X3) have a significant effect on stock prices in consumer goods industrial manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2016-2018 period. This means,

Determination Coefficient Test

Results of Determination Coefficient Testing

Dependent Variable: Y
Method: Panel EGLS (Cross-section random effects)
Date: 01/30/20 Time: 22:20
Sample: 2016 2018
Periods included: 3
Cross-sections included: 19
Total panel (balanced) observations: 57
Swamy and Arora estimator of component variances

Weighted Statistics

R-squared	**0.347349**	**Mean dependent var**	**1027,415**
Adjusted R-squared	**0.310406**	**SD dependent var**	**2862,890**
SE of regression	**2377,395**	**Sum squared resid**	**3.00E + 08**
F-statistic	**9,402407**	**Durbin-Watson stat**	**2.207529**
Prob (F-statistic)	**0.000044**		

Source: The results of data processing with Eviews version 10.0

Based on the results of data processing which can be seen in table 4:14 in chapter IV, it is known that the coefficient of determination (R2) is 0.347349 or 34.74%. In other words, 34.74% share price in consumer goods industrial sector manufacturing companies listed on the Indonesia Stock Exchange in 2016-2018 can be explained by sales growth (X1), profitability (X2), and solvency (X3) which have an effect of 34.74% on prices. shares (Y), while the remaining 65.26% is influenced by other variables not examined. This figure explains that the ability of the variable sales growth (X1), profitability (X2), and solvency (X3) in explaining the stock price variable (Y) is quite high.

Panel Data Regression Test Results

$$\mathbf{Y = \alpha + \beta 1X1 + \beta 2X2 + \beta 3X3 + \varepsilon}$$

From the multiple linear regression analysis, it is illustrated that Y is the stock price variable, X1 is the sales growth variable, X2 is the profitability variable, and X3 is the solvency variable.

Panel Data Regression Test Results

Dependent Variable: Y
Method: Panel EGLS (Cross-section random effects)
Date: 01/30/20 Time: 22:20
Sample: 2016 2018
Periods included: 3
Cross-sections included: 19
Total panel (balanced) observations: 57
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1467,341	1826,819	0.803222	0.4254
X1	-7570,105	3654,011	-2.071725	0.0432
X2	18733.84	3719,691	5.036396	0.0000
X3	548,368	1315,487	0.416855	0.6785

Source: The results of data processing with Eviews version 10.0

From the test results presented in Table 4:15 above, the following equation is obtained

$$Y = 1467.34 - 7570.11\ X1 + 18733.84\ X2 + 548.37\ X3 + \varepsilon$$

From this equation it can be explained as follows:

1. That if the variable value of sales growth, profitability, and solvency is 0, then the variable value of the stock price is 1467.34.
2. If every one-unit increase in sales growth, and the profitability and solvency variables are considered constant, the stock price will decrease by 7570.11.
3. Every one-unit increase in the profitability variable and the sales growth and solvency variables are considered constant, then the stock price will increase by 18733.84.

4. Every one-unit increase in the solvency variable and the sales growth and profitability variables are considered constant, the stock price will increase by 548.37.

V. CONCLUSIONS AND SUGGESTIONS

Conclusion

From the research that has been done, the researchers draw the following conclusions:

1. Sales growth has a positive and partially significant effect on stock prices in consumer goods industry manufacturing companies listed on the Indonesia Stock Exchange in 2016-2018. The results obtained from testing for sales growth of 0.0432 with a significant value of 0.0432 <0.05 and tcount -2.071725.
2. Profitability has a positive and partially significant effect on stock prices in consumer goods industrial manufacturing companies listed on the Indonesia Stock Exchange in 2016-2018. The results obtained from testing for profitability are 0.0000 with a significant value of 0.0000 <0.05 and tcount 5.036396.
3. Solvency does not have a partially significant effect on stock prices in consumer goods industry sector companies listed on the Indonesia Stock Exchange in 2016-2018. The results obtained from testing for solvency amounted to 0.6785 with a significant value of 0.6785> 0.05 and tcount 0.416855.
4. Sales growth, profitability, and solvency simultaneously have a significant effect on stock prices in consumer goods industrial manufacturing companies listed on the Indonesia Stock Exchange in 2016-2018.

Suggestion

Based on the above conclusions, the writer tries to put forward some suggestions obtained from the results of the research and also the discussions that have been carried out which are related as follows:

1. For companies to consider factors that can be used as indicators that can affect the share price of a company.
2. For Further Researchers
   a. Future researchers should use a different proxy. Because this study uses proxies for sales growth, profitability, and solvency.
   b. Future researchers should use research proxies other than those used by researchers to describe stock prices.
   c. It is advisable to use a different sector with this research in order to obtain information about the incidence of events that can be in sectors outside this research

Research Limitations and Further Research Development

The research conducted is limited only to manufacturing companies in the consumer goods industrial sector listed on the Indonesia Stock Exchange in 2016-2018 with sales growth, profitability, and solvency variables on stock prices, it is hoped that further research can contain other variables related to stock prices and update or add to the variables used in order to predict stock prices even better.

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