

THE INFLUENCE OF LIQUIDITY, SOLVENCY, ACTIVITY AND PROFITABILITY ON STOCK RETURNS IN REAL ESTATE AND PROPERTY SECTORS LISTED IN INDONESIAN STOCK EXCHANGE

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Abstract - This study aims to determine the influence of liquidity, solvency, activity and profitability that will impact the return stock in real estate and property sectors listed in Indonesian Stock Exchange.

The data analysis method of this research used panel data regression analysis. The tool of analysis used Eviews10. The population of this research was all real estate and property companies listed on the Indonesian Stock Exchange in 2014 until 2018 as many as 56 companies. The sample was determined based on purposive sampling technique, with a total sample of 21 companies so that the total observation in this study was 420 observations.

The Research showed that the variable Liquidity have negative not a significant on stock returns, Solvency have positive not a significant on stock returns, Activity have positive significant on stock returns and Profitability have positive significant on stock returns in real estate and property sectors listed in Indonesian Stock Exchange.

Keywords: Stock Return, Liquidity (CR), Solvency (DER), Activity (TATO), Profitability (ROA)

Abstrak– Penelitian ini bertujuan untuk mengetahui pengaruh kinerja likuiditas, kinerja solvabilitas, kinerja aktivitas dan kinerja profitabilitas terhadap *return* saham sektor properti dan *real estate* yang terdaftar di Bursa Efek Indonesia.

Metode analisis data penelitian ini menggunakan analisis regresi data panel. Alat analisis yang digunakan adalah Eviews10. Populasi dari penelitian ini adalah sektor properti dan *real estate* yang terdaftar di Bursa Efek Indonesia tahun 2014 sampai dengan tahun 2018 sebanyak 56 perusahaan. Sampel ditentukan berdasarkan teknik *purposive sampling*, dengan jumlah sampel sebanyak 21 perusahaan sehingga total observasi pada penelitian ini sebanyak 420 observasi.

Penelitian menunjukkan bahwa likuiditas berpengaruh negatif tidak signifikan terhadap *return* saham, solvabilitas berpengaruh positif tidak signifikan terhadap *return* saham, aktivitas berpengaruh positif signifikan terhadap *return* saham dan profitabilitas berpengaruh negatif signifikan terhadap *return* saham sektor properti dan *real estate* yang terdaftar di Bursa Efek Indonesia.

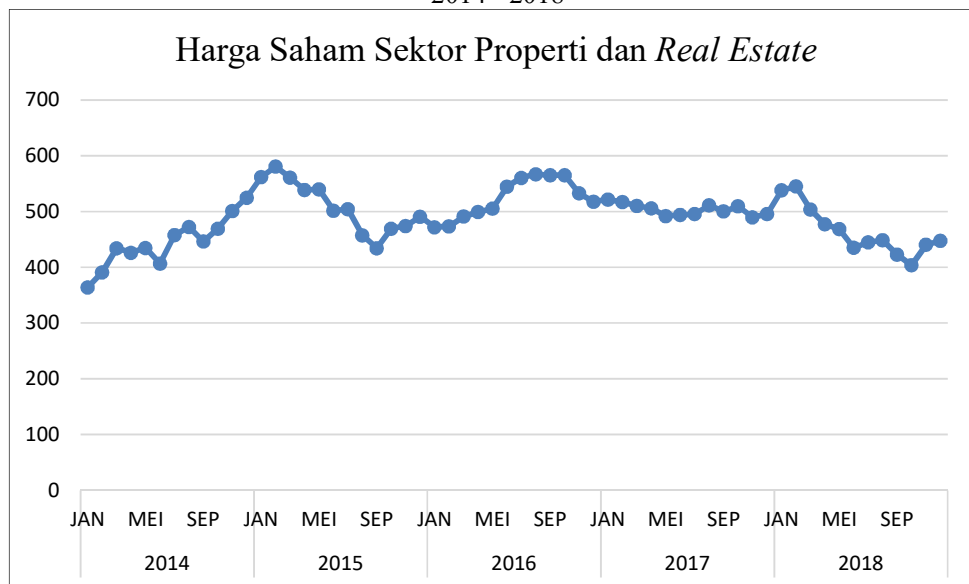
Kata kunci : Return saham, Likuiditas (CR), Solvabilitas (DER), Aktivitas (TATO), Profitabilitas (ROA)

I. PRELIMINARY

The property industry in Indonesia continues to grow in line with massive infrastructure development and the increasing need for housing. They are also aggressively expanding to add land reserves to prepare for new projects. As a result, this business

expansion boosted asset growth and affected market capitalization on the stock exchange (Kontan.co.id, 28/07/2018). The shining growth of the property sector has made it an asset for hedging. In the midst of a volatile market, investors need a place to secure their assets and property is an option (cnbcindonesia.com, 2018)

Figure 1.1 : Property and Real Estate Stock Price Index
2014 - 2018



Sumber: www.yahooofinance.com, processed 2020

Based on the chart above, it can be seen that the stock price index of the property and real estate sectors has fluctuated for five years. In February 2015 share prices in the property and real estate sectors experienced a high increase. However, in September 2015 it tended to decline and then experienced a stable movement until 2018.

Based on the background description above, the researcher is interested in conducting research on "THE EFFECT OF LIQUIDITY, SOLVABILITY, ACTIVITY, AND PROFITABILITY TOWARDS RETURN OF PROPERTY AND REAL ESTATE STOCK IN INDONESIA STOCK EXCHANGE".

1.1. Formulation of the problem

Based on the main problem, it can be specifically formulated as follows:

1. How much influence is the Current Ratio (CR) as an indicator of liquidity on stock returns in the property and real estate sectors?
2. How much influence is the Debt to Equity Ratio (DER) as an indicator of solvency on stock returns in the property and real estate sectors?
3. How much influence is Total Assets Turnover (TATO) as an activity indicator on stock returns in the property and real estate sectors?
4. How much influence is Return On Asset (ROA) as an indicator of profitability on stock returns in the property and real estate sectors?

1.2. Research purposes

This is to find out how much influence liquidity, solvency, activity and profitability have on stock returns in the property and real estate sectors on the Indonesia Stock Exchange.

II. LITERATURE REVIEW

2.1. Liquidity Performance

According to Ross, et al. (2015: 26) liquidity performance refers to the speed and convenience of an asset to be converted into cash or cash. Gold is a relatively long-term or liquid (current) asset, while factory facilities are not a liquid asset. Highly liquid assets are assets that can be sold quickly without any significant loss of value. Meanwhile, illiquid assets are assets that cannot be converted immediately into cash without a significant reduction in price. The more liquid a company is, the less likely it is that the company will experience financial difficulties, namely difficulty paying debts or buying various assets needed. Liquid assets are usually less profitable to hold

2.2. Solvency Performance

According to Hery (2018: 162), the solvency ratio is a ratio used to measure the extent to which the company's assets are financed with debt. In other words, solvency is used to measure how much debt the company must bear in order to fulfill assets. In a broad sense, the solvency ratio is used to measure the company's ability to fulfill all its obligations, both short-term and long-term liabilities.

2.3. Activity Performance or Management Assets

Meanwhile, according to Gitman (2012: 73), the activity ratio measures the speed of conversion of various accounts into sales or cash inflows or outflows. In a sense, the activity ratio measures how efficiently a company operates along various dimensions such as inventory management, expenses and collections. A number of these ratios are available to measure the most important current account activities including inventories, accounts receivable and accounts payable. The efficiency with the total assets used can also be assessed

2.4. Profitability Performance

Loyalty according to Kotler and Keller (2009: 139) is a customer commitment to a brand and supplier, based on a positive attitude and is reflected in consistent purchases. Customer loyalty according to Swastha (1999) actually comes from brand loyalty which reflects customer loyalty to a particular brand. Customer loyalty can be formed when the customer is satisfied with the brand or level of service received, and intends to continue the relationship. (Selnes, 1993). Customer loyalty according to Swastha (1999) actually comes from brand loyalty which reflects customer loyalty to a particular brand. Customer loyalty can be formed when the customer is satisfied with the brand or level of service received, and intends to continue the relationship. (Selnes, 1993)

2.5. Stock returns

Return can be interpreted as a return on an investment. The greater the return on an investment offered, the more attractive the investment will be for investors. In other words, return is an attraction for investors to invest (Purwanto, 2017: 50)

2.6. The Relationship Between Research Variables

2.6.1. Effect of Current Ratio (CR) on Stock Return

Current Ratio has a function to determine the extent to which the company is able to pay its short-term obligations that are due soon (Keown, 2014). Companies that have a high Current Ratio value show that the company is getting smoother in fulfilling its short-term debt, this is a positive signal for investors where more and more investors judge the performance and health of the company is good and buy shares so that it can indirectly increase the stock price. This will also have an impact on stock returns which will also increase. Based on this concept, the Current Ratio has a positive effect on stock returns.

This statement is in line with the results of research conducted by Putra and Dana

(2016) and Wardani, *et al*(2016) show that the Current Ratio has a positive effect on stock returns. The higher the Current Ratio, it can be said that the company has a great ability to fulfill its short-term obligations. The better the Current Ratio reflects the more liquid the company is, so that the ability to meet short-term obligations is higher. This will be able to increase the company's credibility in the eyes of investors so that it will be able to increase the company's stock return.

However, contrary to the results of this study, in research conducted by Bustami, *et al*(2018) show that the Current Ratio has a significant negative effect on stock returns. Meanwhile, research conducted by Komala, *et al* (2014) and Asmi (2014) shows that the Current Ratio has a negative and insignificant effect on stock returns. This indicates that a low Current Ratio value does not mean that the company is unable to meet its short-term obligations. A low current ratio in a company is able to manage money to create the company.

The research conducted by Setiyono, *et al*(2016), Lestari, *et al* (2016) and Bisara (2015) show that the Current Ratio has a positive and insignificant effect on stock returns. These results indicate that the Current Ratio is not a measure or a benchmark for investors in investing in a company, but by looking at other results such as more real company profits in assessing the return to be received. Thus the hypothesis can be formulated as follows:

H1 = There is an effect of Current Ratio on stock returns

2.6.2. Effect of Debt to Equity Ratio (DER) on Stock Returns

Debt to Equity Ratio(DER) is the ratio between total debt and equity that reflects the company's funding sources. For companies, the bigger the DER, the better, this is because the high DER indicates the larger amount of loans the company receives to be used in funding its operational activities. But the burden of the company will also be greater and so will the risks to be faced even greater. DER information provides an overview of a company's ability to pay off all its debts when compared to its own capital. An increase in DER means an increase in the amount of debt the company has.

For investors, the higher *Debt to Equity Ratios* shows the greater dependence of the company on outsiders (creditors) so that the level of company risk is greater in meeting its debt obligations, namely paying the principal of debt along with the interest. If this happens, it will decrease investor interest in the company's share price, because investors will be more interested in stocks that do not bear a lot of debt. Investors see this as bad information, so that the demand for company shares will also experience a decrease in stock returns. Based on this concept, it is possible that DER has a negative relationship with stock returns.

This is in line with research conducted by Oktiar (2014) which shows that the Debt to Equity Ratio has a negative and significant effect on stock returns. This is because the capital structure in the property company comes from loans, which causes the burden to bear the principal and interest of the company to be higher than the profitability of the company. Because the impact of the imbalance between benefits and costs, in this case, the cost of principal of the loan and interest is higher than the benefits of debt, which causes a decrease in the level of company profits which in turn has an impact on the decline in stock returns. While the research conducted by Putra and Dana (2016), Salim, *et al* (2016) and Lestari,

In contrast to the research conducted by Bustami, *et al* (2018) and Wardani, *et al* (2016) which state that the Debt to Equity Ratio has a significant positive effect on stock returns. This shows that there are different considerations from some investors in viewing DER. some investors view that growing companies definitely need debt as additional funds to meet funding. The company requires a lot of operational funds that cannot be fulfilled only from the company's own capital.

Meanwhile, research conducted by Asmi (2014) shows that DER has a positive and insignificant effect on *return*stock. A positive DER indicates that the company is using

its debt obligations quickly. This means that the turnaround in using its debt obligations is very fast because the company assumes that debt can leverage the company's funding in meeting the company's needs. The results of this study are in line with the research of Setiyono, et al (2018), Komala (2014), McGowan (2015) and Bisara, et al (2015) which show that the Debt to Equity Ratio has a positive and insignificant effect on stock returns. Thus the hypothesis can be formulated as follows:

H2 = There is an effect of Debt to Equity Ratio on stock returns

2.6.3. Effect of Total Assets Turnover (TATO) on Stock Return

Total Assets Turnover(TATO) is one of the activity performance ratios or asset management that measures the efficiency level of a company in utilizing the number of assets owned in the company's operational activities to generate sales (Ross, 2015: 68). TATO is obtained by comparing the sales with the company's total assets. If sales are greater than total assets, the rate of return on return for the company will be high, because large sales reflect large profits for the company.

Large sales will encourage the company's profit revenue to be higher. The increase in profits generated by the company indicates that the company has a good performance so that it can generate large sales. This will certainly get a positive response and be liked by the market and investors. That way investors have an interest in investing in the company so that it will increase demand for shares, increasing demand for shares results in an increase in share prices which will also encourage an increase. *return* a company.

This statement is in accordance with the results of research conducted by Salim, et al(2016) show that Total Assets Turnover has a significant positive effect on stock returns. This shows that companies with good sales conditions will attract investors' interest in investing, resulting in increased share prices. An increased stock price will have an impact on increased returns as well. This research is in line with the research results of Bustami, et al (2018), Wardani, et al (2016) and McGowan (2015) which show that Total Assets Turnover has a significant positive effect on stock returns.

However, contrary to the results of this study, research conducted by Asmi (2014) shows that TATO has a negative and insignificant effect on *returnstock*. A low TATTOO indicates that a company cannot use its assets to get profit or profit. The results of this study are supported by research conducted by Lestari, et al (2016) Setiyono, et al (2018) and Bisara, et al (2016) which states that the result is that TATO has a negative and insignificant effect on stock returns. Thus the hypothesis can be formulated as follows:

H3 = There is an effect of Total Asset Turnover on stock returns

2.6.4. Effect of Return On Assets (ROA) on Stock Return

Return On Assets(ROA) measures the company's ability to generate profits from the assets used (Sartono, 2010: 123). The higher the ROA, the more effective the company is in using its assets to generate net profit after tax. With increasing ROA, the company's profitability is getting better and the impact is that the company's stock price also increases, so that the company gets a large return. Thus, Return On Assets is positively related to stock returns.

This statement is supported by the results of research conducted by Putra and Dana (2016) in their research which shows that Return On Assets has a significant positive effect on stock returns. The increase in profitability shows that the company's performance is improving and the investors or shareholders will benefit (stock returns). The results of this study are supported by research conducted by Wardani, et al (2016), Bustami, et al (2018), Bisara (2015), Maryyam (2016), Oktiar (2014) and McGowan (2015) which show that Return On Assets has a positive and significant effect on stock returns. The research conducted by Salim, et al (2016) and Aditya (2018) shows that Return On Assets has a positive but insignificant effect on stock returns.

In contrast to the results of research conducted by Komala (2014) shows that

Return On Assets negative effect on stock returns. Research conducted by Asmi (2014) and Lestari, et al (2016) which shows that Return On Assets has a negative and insignificant effect on stock returns. This indicates that a negative ROA cannot increase stock returns, because the lower the ROA, the lower the company uses its assets, so it cannot increase the company's profit. Thus, the following hypothesis can be formulated:

H4 = There is an effect of Return On Assets on stock returns

2.7 Research Conceptual Framework

Based on the theoretical basis and the research results that have been described above, a conceptual framework in this study is drawn up as follows:

Figure 2.1
conceptual framework

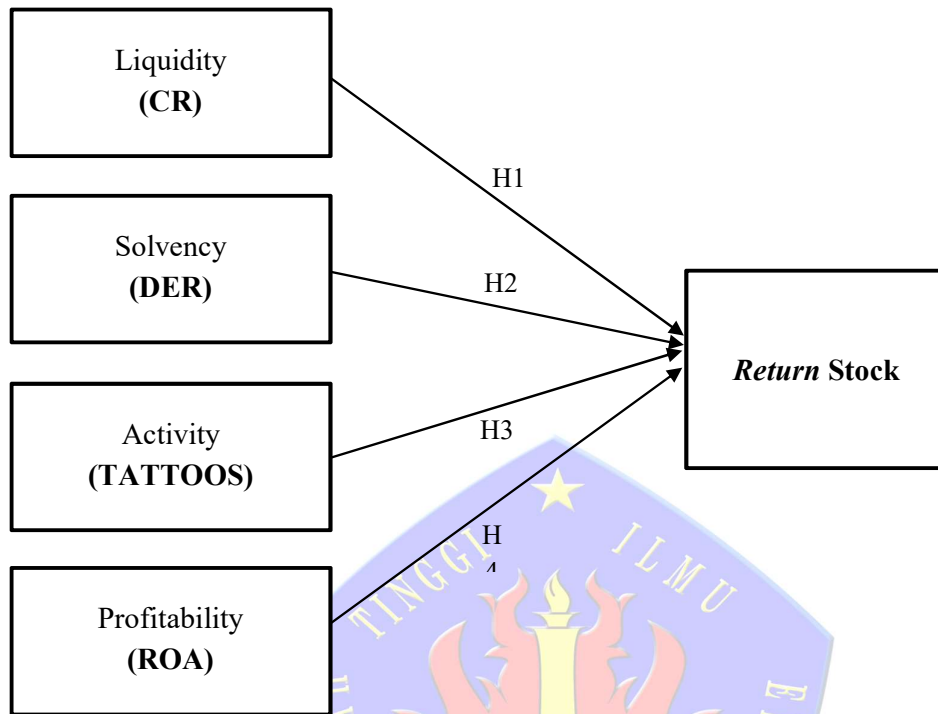


Figure 2.1 illustrates the model of the study, in this study there are 3 (three) independent variables and there is 1 (one) dependent variable, namely *return stocks* include:

1. Independent variable (independent variable)
 - a. *Current Ratio* (X1) which is an indicator of liquidity which is thought to have an effect on the dependent variable (H1).
 - b. *Debt to Equity Ratio* (X2) which is an indicator of solvency which is thought to affect the dependent variable (H2).
 - c. *Total Assets Turnover* (X3) which is an indicator of the activities that are thought to have an effect on the dependent variable (H3).
 - d. *Return On Assets* (X4) which is an indicator of profitability which is thought to have an effect on the dependent variable (H4).
2. Dependent variable (dependent variable)
3. The dependent variable in this study is stock return (Y).

III. RESEARCH METHOD

3.1. Research Strategy

This study uses a quantitative method with an associative form of strategy, to conclude the relationship between different variables but have a causal relationship and pattern of relationships. Associative strategies are used to determine the level of accuracy and to expand the theory so that it is able to provide supporting evidence for the results of previous research. The type of data used is quantitative data, according to Martono (2016: 84), quantitative data is data in the form of numbers or extrapolated qualitative data. The quantitative data used in this research is the company's financial statements

3.2. Population and Sample Research

Population is all elements that will be used as generalization area. In this case, the population is a generalization area consisting of: objects or subjects that have certain quantities and characteristics that are determined by the researcher to study and then draw conclusions (Sugiyono, 2018: 136). The population in this study are property and real estate companies listed on the Indonesia Stock Exchange (BEI). The population of companies in the property and real estate sub-sector listed on the Indonesia Stock Exchange is 56 companies, then getting a sample of 21 companies using the purposive sampling method. The following is a list of companies sampled:

Table 3.1
Property and Real Estate Sector Sample List

No.	Code	Company name
1.	APLN	Agung Podomoro Land, Tbk
2.	ASRI	Alam Sutera Realty, Tbk
3.	BEST	Bekasi Fajar Industrial Estate, Tbk
4.	BKSL	Sentul City, Tbk
5.	BSDE	Bumi Serpong Damai, Tbk
6.	CTRA	Ciputra Development, Tbk
7.	DILD	Intiland Development, Tbk
8.	ELTY	Bakrieland Development, Tbk
9.	GPRA	Perdana Gapuraprima, Tbk
10.	GWSA	Greenwood Sejahtera, Tbk
11.	JRPT	Jaya Real Property, Tbk
12.	KIJA	Jababeka Industrial Estate, Tbk
13.	LPCK	Lippo Cikarang, Tbk
14.	LPKR	Lippo Karawaci, Tbk
15.	MDLN	Modernland Realty, Tbk
16.	MTLA	Metropolitan Land, Tbk
17.	PLIN	Plaza Indonesia Realty, Tbk
18.	PWON	Pakuwon Jati, Tbk
19.	RBMS	Ristia Bintang Mahkotasejati, Tbk
20.	RDTX	Roda Vivatex, Tbk
21.	SMRA	Summarecon Agung, Tbk

Source: www.idx.go.id (data processed, 2020)

3.3 Data Analysis Methods

The data in the study were obtained from the financial statements of property and real estate sector companies listed on the Indonesia Stock Exchange from the period 2014 to 2018, the data were processed using Microsoft Excel and Econometric Views Student Version 10 (Eviews) to regress the formulated model and become good and unbiased prediction tool. The results of this study are presented in the form of arithmetic tables and graphs. The analytical tool used is by testing classical assumptions and hypotheses, including:

3.3.1 Descriptive Statistical Analysis

Determining the analytical technique is a series of processes that are connected in the research procedure. Data analysis was carried out with the aim of answering the problem formulations and hypotheses that have been proposed. Then, the results of data analysis are interpreted to make conclusions.

Descriptive statistics are statistics that describe phenomena or data as in the form of tables, graphs, averages, frequencies or other forms. In descriptive statistics, analysis is

carried out in the form of tables, graphs, columns, frequency calculations, measures of central tendency (mean, median, mode), size of the disperse (range, standard deviation, variance) and so on (Hendryadi, 2018: 234).

3.3.2 Classic Assumption Testing

3.3.2.1 Multicollinearity Test

The multicollinearity test aims to test whether the regression model finds a correlation between the independent variables (Ghozali, 2017: 71). To determine the presence or absence of multicollinearity, it can be seen from the correlation coefficient for each independent variable. If there is a correlation between the independent variables that exceeds 0.80 (> 0.80), then multicollinearity occurs (Ghozali, 2017: 73).

3.3.2.2 Heteroscedasticity test

The heteroscedasticity test is used to test whether in the regression model there is an inequality of variance from the residuals of one observation to another, if the variance from one observation to another is constant, it is called homoscedasticity and if it is different it is called heteroscedasticity. A good regression model is homoscedasticity or heteroscedasticity does not occur (Ghozali, 2017: 85).

3.3.2.3 Autocorrelation Test

The autocorrelation test aims to test whether in a linear regression model there is a correlation between confounding errors (residuals) in period t with errors in the previous $t-1$ period (Ghozali, 2017: 121). This study uses the autocorrelation test by comparing the Durbin-Watson value with the DL and DU table values in the Durbin-Watson table. The Durbin-Watson test involves the number of samples and the number of variables in a study.

- If the DW value lies between the upper limit (DU) and $(4 - DU)$, then the autocorrelation coefficient is zero, meaning there is no autocorrelation.
- If the DW value is lower than the lower limit (DL), then the autocorrelation coefficient is greater than zero, meaning there is positive autocorrelation.
- If the DW value is less than $(4 - DL)$, then the autocorrelation coefficient is smaller than zero, meaning there is negative autocorrelation.
- If the DW value lies between the upper limit (DU) and the lower limit (DL) or DW lies between $(4 - DU)$ and $(4 - DL)$, the results are inconclusive.

3.3.3 Regression Analysis with Panel Data

According to Gujarati in Ghozali (2017: 195) states that panel data technique is to combine cross-section and time series data types. The panel data model equation is as follows:

$$R_i = + \beta_1 CR + \beta_2 DER + \beta_3 TATO + \beta_4 ROA + e\alpha$$

Information :

R_i = return stock

α = constant

β_1 - β_5 = regression coefficient

CR = current ratio

DER = debt to equity ratio

TATTOOS = total assets turnover

ROA = return on assets

e = error

According to Gujarati (2013) there are three models for regressing data, namely *common effect model*, *fixed effect model*, and *random effect model*.

3.3.3.1 Common Effect Model (CEM)

Common Effect Model(CEM) is a panel data regression model that combines time series and cross section data with the least squares approach and can use the pooled least square method. The common effect model assumptions are:

$$Y_{it} = \alpha + \beta X_{it} + e_{it}$$

Information :

Y = dependent variable
 α = constant
 β = regression coefficient
X = independent variable
i = *cross section*
t = *time series*
e = *error*

3.3.3.2 Fixed Effect Model (FEM)

Fixed effect model is a panel data regression model that has different effects between individuals and individuals is an unknown parameter and can be estimated using the least square dummy technique. The fixed effect model assumptions are as follows:

$$Y_{it} = \alpha + \beta_1 X_{it} + \beta_2 X_{it} + \beta_3 X_{it} + \beta_4 X_{it} + e_{it}$$

Information :

Y = dependent variable
 α = constant
 β = regression coefficient
X = independent variable
i = *cross section*
t = *time series*
e = *error*

3.3.3.3 Random Effect Model (BRAKE)

Random effect model is a panel data regression model that has a difference with the fixed effect model, the use of a random effect model can save the use of degrees of freedom so that the estimation is more efficient. Random effect model using generalized least square as parameter estimation. The assumptions of the random effect model are as follows:

$$Y_{it} = \alpha + \beta_1 X_{it} + \beta_2 X_{it} + \beta_3 X_{it} + \dots + \beta_n X_{it} + e_{it}$$

Information :

Y = dependent variable
 α = constant
 β = regression coefficient
X = independent variable
i = *cross section*
t = *time series*
e = *error*

3.3.4 Panel Data Regression Model Selection Test

3.3.4.1 Chow test

The Chow test is a test to determine the type of model to be selected between the common effect model or the fixed effect model. The hypothesis in determining the panel data regression model is that if the cross section chi-square value < significant value (0.05), then the fixed effect model will be selected. Conversely, if the chi-square cross section value is > significant, then the common effect model will be used and the Hausman test is not required (Rosinta, 2018).

3.3.4.2 Hausman Test

The Hausman test is a test to determine the type of model to be selected between *fixed effect model*(FEM) with a random effect model (CEM). The hypothesis in

determining the panel data regression model is that if the random cross section value <significant value (0.05), then the fixed effect model. Conversely, if the random cross section value > significant value (0.05), then the random effect model is selected (Rosinta, 2018).

3.3.4.3 Lagrange Multiplier (LM) Test

The Lagrange Multiplier test is a test to determine the type of model to be selected between the common effect model and the random effect model. The Lagrange Multiplier test was developed by Breusch Pagan, this test is based on the residual value of the common effect model method. The LM test is based on the Chi-Squares distribution with the degrees of freedom equal to the number of independent variables. If the LM value is greater than the critical Chi-Squares value, the appropriate model is a random effect model, on the other hand, if the LM value is smaller than the Chi-Squares value, the appropriate model is a common effect model.

3.3.5 Hypothesis test

3.3.5.1 T Statistical Test (Significant Test for Individual Parameters)

The statistical t test aims to test the significance level of the independent variable on the dependent variable (Gujarati, 2013).

Influence X_1 (Current Ratio) to Y (stock return)

Ho: $\beta_1 = 0$ Partially there is no significant effect Current Ratio to return company.

Ha: $\beta_1 \neq 0$ partially there is a significant influence Current Ratio to return stock.

Influence X_2 (Debt to Equity Ratio) to Y (stock return)

Ho: $\beta_2 = 0$ Partially there is no significant effect of Debt to Equity Ratio to stock returns.

Ha: $\beta_2 \neq 0$ partially there is a significant effect of Debt to Equity Ratio to stock returns.

Influence X_3 (Total Assets Turnover) to Y (stock return)

Ho: $\beta_3 = 0$ Partially there is no significant effect on Total Assets Turnover to stock returns.

Ha: $\beta_3 \neq 0$ partially there is a significant effect on Total Assets Turnover to stock returns.

Influence X_4 (Return On Assets) to Y (stock return)

Ho: $\beta_4 = 0$ Partially there is no significant effect Return On Assets to return stock.

Ha: $\beta_4 \neq 0$ partially there is a significant effect Return On Assets to return stock.

Partial testing of the regression coefficient partially with the t-test at the 95% level and the analysis error rate (α) 5% provided that the degree of freedom (df) = nk, where n is the size of the sample, k is the number of variables.

3.3.5.2 F Test Statistics

According to Gujarati (2013), statistical F test aims to determine the effect of independent variables on the dependent variable together (simultaneously). This test uses the F test with a 95% confidence level and an error rate (α) 5% and degree of freedom (df1) = k-1, degree of freedom (df2) = nk.

The decision making criteria are as follows:

1. If F-count < F-table with a significant value of F < 0.05, the hypothesis will be accepted. This means that there is a significant effect on the independent variable on the dependent variable.

2. If $F\text{-count} > F\text{-table}$ with a significant value of $F > 0.05$, the hypothesis will be rejected. That is, there is no significant effect on the independent variable on the dependent variable.

3.3.6 Coefficient of Determination (R²)

According to Ghozali (2017: 55) the coefficient of determination (R²) is the ability to measure a model in interpreting the dependent variable. The value of the coefficient of determination is between 0 and 1. A small R² value means that the ability of the independent variable to explain the variation in the dependent variable is very limited. The coefficient of determination has a fundamental weakness, namely the existence of a number of independent variables included in the model.

The use of the R-squared value is needed because each additional one independent variable will increase the coefficient of determination (R²), although the variable is not significant, it can be interpreted that if it approaches the value of 1, the independent variable can provide the desired information in predicting the dependent variable. However, if the value is close to 0, the independent variable cannot provide the desired information in predicting the independent variable.

IV. RESULTS AND DISCUSSION

4.1. Description of Research Object

In this study, the object used is the property and real estate sector companies in the Indonesia Stock Exchange. The purposive sampling method was used by researchers to obtain samples that match the research criteria, so that 21 property and real estate companies that met the criteria were selected and could be sampled in the study.

4.2 Data analysis

4.2.1 Descriptive Statistical Analysis

In this study, descriptive statistics were used to provide information about descriptions of several research variables. The variables used in this research are Current Ratio (CR), Debt to Equity Ratio (DER), Total Assets Turnover (TATO), Return On Assets (ROA) as the independent variable and stock returns as the dependent variable, with 420 observations. The results of descriptive statistics in this study are described in the table as follows:

Table 4.2
Descriptive Statistical Analysis

	STOCK RETURNS	CR	DER	TATTOOS	ROA
Mean	0.065926	2.747794	0.870301	0.131691	0.038442
Median	0.002750	1,938 500	0.835750	0.118700	0.027400
Maximum	3,000,000	11,63470	3.791800	0.415900	0.309200
Minimum	-0.450400	0.331100	0.032500	0.002400	-0.049300
Std. Dev.	0.422036	2,050427	0.556804	0.085701	0.045624
Observations	420	420	420	420	420

Source: Eviews Output, 2020

Based on table 4.2 which contains data on the mean, median, minimum and maximum value of the research variables. The minimum value is the smallest value from the calculation result, while the maximum value is the largest value from the calculation result. The mean value is the average value of the total calculation divided by the amount of research data. The explanation of the descriptive statistical test above is as follows:

Current Ratio(CR) as a variable of liquidity shows an average value (mean) of 2.7477 and a standard deviation of 2.0504. The variable minimum value of 0.3311 is found at PT. Roda Vivatex, Tbk (RDTX), while the maximum value of 11,6347 is found at PT.

Greenwood Sejahtera, Tbk (GWSA).

Debt to Equity Ratio(DER) as a variable of solvency shows an average value (mean) of 0.8703 and a standard deviation of 0.5568 The minimum variable value of 0.0325 is found at PT. Ristia Bintang Mahkotasejati, Tbk (RBMS), while the maximum value of 3,7918 is found at PT. Plaza Indonesia, Tbk (PLIN).

Total Assets Turnover(TATO) as a variable of activity shows an average value (mean) of 0.1316 and a standard deviation of 0.0857. The variable minimum value of 0.0024 is found at PT. Greenwood Sejahtera, Tbk (GWSA), while the maximum value of 0.4159 is found at PT. Lippo Cikarang, Tbk (LPCK).

Return On Assets(ROA) as a variable of profitability shows an average value (mean) of 0.0384 and a standard deviation of 0.0456. The variable minimum value of -0.0493 is found at PT. Bakrieland Development, Tbk (ELTY), while the maximum value of 0.3092 is found at PT. Lippo Cikarang, Tbk (LPCK).

4.2.2 Classic Assumption Testing

4.2.2.1 Multicollinearity Test

Multicollinearity test aims to test whether the regression model found a correlation between the independent variables. A good regression model in testing does not have a correlation between the independent variables. If the research finds a correlation, then there is a multicollinearity problem. To be able to determine the presence or absence of multicollinearity can be seen from the correlation coefficient of each independent variable. The results of the multicollinearity test in this study are as follows

Table 4.3
Multicollinearity Test Results

	CR	DER	TATTOOS	ROA
CR	1,000000	-0.447001	-0.139524	-0.101705
DER	-0.447001	1,000000	0.194510	-0.178205
TATTOOS	-0.139524	0.194510	1,000000	0.477713
ROA	-0.101705	-0.178205	0.477713	1,000000

Source: Eviews Output, 2020

Based on table 4.3, it can be seen that there is no correlation coefficient between independent variables that is more than 0.80. The correlation coefficient <0.80 indicates that there is no linear relationship between the independent variables, so that there is no multicollinearity.

4.2.2.2 Heteroscedasticity Test

Heteroscedasticity test is used to see the disturbances that appear in the regression function are not the same variance. A regression model is said to be good if it has constant residual variance, where there is no change even though the independent variable changes. The results of this study are as follows:

Table 4.4
Heteroscedasticity Test Results

Heteroskedasticity Test: Breusch-Pagan-Godfrey

F-statistic	5.637038	Prob. F (4,415)	0.0002
Obs * R-squared	21.64384	Prob. Chi-Square (4)	0.0542
Scaled explained SS	331.2513	Prob. Chi-Square (4)	0.0000

Source: Eviews Output, 2020

Based on table 4.4 shows the results of the heteroscedasticity test, where the probability value on the R-Square chi-square is 0.0542 > 0.05 (significant value). So it can be concluded in this study there is no heteroscedasticity problem.

4.2.2.3 Autocorrelation Test

The autocorrelation test aims to test whether there is a relationship between the

residuals of one observation and the residuals of other observations. In this study, the autocorrelation test was done by comparing the Durbin-Watson stat value with the DL and DU table values in the Durbin-Watson table. The results of the autocorrelation test in this study are as follows:

Table 4.5
Autocorrelation Test Results

R-squared	0.413112	Mean dependent var	0.065926
Adjusted R-squared	0.377452	SD dependent var	0.422036
SE of regression	0.332993	Akaike info criterion	0.696289
Sum squared resid	43.79936	Schwarz criterion	0.936780
Log likelihood	-121.2207	Hannan-Quinn criter.	0.791342
F-statistic	11.58504	Durbin-Watson stat	1.185717
Prob (F-statistic)	0.000000		

Source: Eviews Output, 2020

Based on table 4.5, it shows the Durbin-Watson value of 1.185717. This study has the number of observations (T) = 420 and the number of independent variables (k) = 4, the value of DL is 1.82546 and DU 1.85423 (seen from Durbin Watson's table). Then the DW value = 1.185717 < DL = 1.82546, then look for the value 4-DL is (4 - 1.82546 = 2.17454) and 4-DU is (4 - 1.85423 = 2.14577). DW value is lower than the lower limit (DW = 1.185717 < DL = 1.82546), it can be concluded that the autocorrelation coefficient is greater than zero, meaning that there is positive autocorrelation.

4.3 Panel Data Regression Model Estimation

4.3.1 Common Effect Model (CEM)

The results of the common effect model estimation are as follows:

Table 4.6
Common Effect Model Estimation Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.280811	0.069269	4.053910	0.0001
CR	-0.037063	0.011294	-3.281680	0.0011
DER	-0.038483	0.044195	-0.870771	0.3844
TATTOOS	-0.218799	0.284528	-0.768989	0.4423
ROA	-1.319891	0.543493	-2.428535	0.0156
R-squared	0.046055	Mean dependent var		0.065926
Adjusted R-squared	0.036861	SD dependent var		0.422036
SE of regression	0.414184	Akaike info criterion		1.086822
Sum squared resid	71.19267	Schwarz criterion		1.134920
Log likelihood	-223.2326	Hannan-Quinn criter.		1.105832
F-statistic	5.008937	Durbin-Watson stat		0.761702
Prob (F-statistic)	0.000595			

Source: Eviews Output, 2020

Based on the CEM estimation results in the table above, it shows that the CR coefficient is -0.037063, the DER is -0.038483, the TATO is -0.218799 and the ROA is -1.31989, with an R-squared of 0.036861.

4.3.2 Fixed Effect Model (FEM)

Estimation results *fixed effect model* are as follows:

Table 4.7
Fixed Effect Model Estimation Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.122005	0.083192	1.466550	0.1433
CR	-0.027069	0.015889	-1.703642	0.0892
DER	0.020958	0.059711	0.350998	0.7258
TATTOOS	0.827489	0.271636	3.046317	0.0025
ROA	-2.833170	0.538831	-5.257989	0.0000
Effects Specification				
Cross-section fixed (dummy variables)				
R-squared	0.413112	Mean dependent var		0.065926
Adjusted R-squared	0.377452	SD dependent var		0.422036
SE of regression	0.332993	Akaike info criterion		0.696289
Sum squared resid	43.79936	Schwarz criterion		0.936780
Log likelihood	-121.2207	Hannan-Quinn criter.		0.791342
F-statistic	11.58504	Durbin-Watson stat		1.185717
Prob (F-statistic)	0.000000			

Source: Eviews Output, 2020

Based on the estimation results of the Fixed Effect Model in the table above, it shows that the CR coefficient is -0.027069, the DER is 0.020958, the TATO is 0.827489, the ROA is -2.833170 and the R-squared is 0.377452.

4.3.3 Random Effect Model (BRAKE)

The results of the random effect model estimation are as follows:

Table 4.8
Results of Random Effect Model Estimation

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.154288	0.095727	1.611754	0.1078
CR	-0.028500	0.014504	-1.964948	0.0501
DER	0.000388	0.054684	0.007092	0.9943
TATTOOS	0.695746	0.266659	2.609122	0.0094
ROA	-2.653611	0.527525	-5.030299	0.0000
Effects Specification				
		SD	Rho	
Random cross-section		0.248223		0.3572
Idiosyncratic random		0.332993		0.6428
Weighted Statistics				
R-squared	0.067520	Mean dependent var		0.018942
Adjusted R-squared	0.058532	SD dependent var		0.344377
SE of regression	0.334147	Sum squared resid		46.33645
F-statistic	7.512397	Durbin-Watson stat		1.120676
Prob (F-statistic)	0.000008			
Unweighted Statistics				
R-squared	0.008503	Mean dependent var		0.065926
Sum squared resid	73.99523	Durbin-Watson stat		0.701777

Source: Eviews Output, 2020

Based on the REM estimation results in the table above, it shows that the CR coefficient is -0.028500, DER is 0.000388, TATO is 0.695746, ROA is -2.653611 and R-squared is 0.067520.

4.4 Panel Data Regression Model Selection Test

4.4.1 Chow test

Chow test is used as a test of one of the models in panel data regression, selecting or comparing the best method between *common effect model* (CEM) and fixed effects model (FEM). The hypothesis to determine the panel data regression model is that if the cross section chi-square value < 0.05 (significant value), then the model chosen is the fixed effect model. If the chi-square cross section value > 0.05 (significant value), then the model chosen is the common effect model (CEM). The results of the Chow test in this study are as follows:

Table 4.9
Chow Test Results

Effects Test	Statistics	df	Prob.
Cross-section F	12.352190	(20,395)	0.0000
Chi-square cross-section	204.023722	20	0.0000

Source: Eviews Output, 2020

Based on table 4.9 of the Chow test results, it shows the probability value results *chi-square cross section* $0.0000 < 0.05$ (significant value), then the fixed effect model (FEM) was chosen as the best model, then the Hausman test will be carried out to determine the best model between the fixed effect model and the random effect model.

4.4.2 Hausman Test

The Hausman test is used to select or compare the best method between the fixed effect model and the random effect model. The Hausman test is carried out using the random effect method by looking at the probability value in the random cross section. If the probability value in the random cross-section is > 0.05 , the model chosen is the random effect model. Conversely, if the probability value in the random cross-section is < 0.05 , the model chosen is the fixed effect model. The Hausman test results are as follows:

Table 4.10
Hausman Test Results

Test Summary	Chi-Sq. Statistics	Chi-Sq. df	Prob.
Random cross-section	6.880474	4	0.0423

Source: Eviews Output, 2020

Based on table 4.10 it shows that the probability value of random cross-section is $0.0423 < 0.05$, so the model chosen is the fixed effect model (FEM) as the best method in this study.

4.5 Regression Analysis with Panel Data

After testing the three panel data estimation models, namely the Common Effect Model, Fixed Effect Model and Random Effect Model to determine the best regression model estimate, based on the test results using the Chow test which tests between CEM and FEM shows the results of the chi-square cross-section to a significant level. $0.0000 < 0.05$, because the chi-square cross-section result is smaller than the significant value 0.05, then FEM was chosen as the best model, so this study was continued with the Hausman test.

Based on the test results using the Hausman test which tests between FEM and REM shows results *random cross-section* The significant level is $0.0423 < 0.05$, because the results of the random cross-section show that it is smaller than a significant value of

0.05, then FEM was chosen as the best model in this study.

In this study using *Fixed Effect Model* Because from several tests that have been done before, this model is superior to the Common Effect Model and the Random Effect Model in the Chow test and the Hausman test. The Fixed Effect Model was also chosen because it is the best model that can explain the influence of the variables Current Ratio, Debt to Equity Ratio, Total Assets Turnover, Return On Assets on stock returns. This can be seen from the value of the regression coefficient which is shown in the table as follows:

Table 4.11
Fixed Effect Model selected

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.122005	0.083192	1.466550	0.1433
CR	-0.027069	0.015889	-1.703642	0.0892
DER	0.020958	0.059711	0.350998	0.7258
TATTOOS	0.827489	0.271636	3.046317	0.0025
ROA	-2.833170	0.538831	-5.257989	0.0000

Source: Eviews Output, 2020

Based on table 4.11 it shows that the results of selecting the panel data regression model in this study selected the fixed effect model (FEM) as the best model, with the following equation:

$$\text{Return (Ri)} = -0.027069\text{CR} + 0.020958\text{DER} + 0.827489\text{TATO} - 2.833170\text{ROA}$$

Based on the regression equation above, it can be explained as follows:

1. The liquidity coefficient (CR) is worth -0.027069. This shows that each increase in liquidity (CR) of 1%, it will reduce stock returns by 0.027% assuming the value of other variables is constant.
2. The solvency coefficient (DER) is 0.020958. This shows that each increase in solvency (DER) of 1%, it will increase the stock return by 0.020% assuming the value of other variables is constant.
3. The activity coefficient (TATO) is worth 0.827489. This shows that every increase in activity (TATO) by 1%, it will increase stock returns by 0.827% assuming the value of other variables is constant.
4. The profitability coefficient (ROA) is -2.833170. This shows that each 1% increase in profitability (ROA) will reduce stock returns by 2.833% assuming the value of other variables is constant.

4.6 Hypothesis test

To test whether the independent variable has an influence on company returns, hypothesis testing is carried out with the t test and the coefficient of determination (R²), which can be seen in the following table:

Table 4.12
Result of t test, F test and determination coefficient test (R²)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.122005	0.083192	1.466550	0.1433
CR	-0.027069	0.015889	-1.703642	0.0892
DER	0.020958	0.059711	0.350998	0.7258
TATTOOS	0.827489	0.271636	3.046317	0.0025
ROA	-2.833170	0.538831	-5.257989	0.0000
Effects Specification				
Cross-section fixed (dummy variables)				

R-squared	0.413112	Mean dependent var	0.065926
Adjusted R-squared	0.377452	SD dependent var	0.422036
SE of regression	0.332993	Akaike info criterion	0.696289
Sum squared resid	43,79936	Schwarz criterion	0.936780
Log likelihood	-121.2207	Hannan-Quinn criter.	0.791342
F-statistic	11.58504	Durbin-Watson stat	1.185717
Prob (F-statistic)	0.000000		

Source: Eviews Output, 2020

4.6.1 T Statistical Test (Significant Test for Individual Parameters)

The t statistical test aims to determine how far the influence of each independent variable is in explaining the dependent variable. As for the decision making requirements, when the probability value is less than the significance level ($= 0.05$), the independent variable has an influence on the dependent variable. When the probability value is greater than the significant level ($= 0.05$), the independent variable has no influence on the dependent variable. α

The hypothesis of the t test is as follows:

Ho = no significant effect

Ha = significant

Based on table 4:12 above shows that the influence of the influence of each independent variable liquidity, solvency, activity, and profitability on the dependent variable, namely stock returns can be interpreted as follows:

1. Hypothesis testing for Current Ratio (H1)
Based on the table above, it shows the estimation results of Current Ratio have a coefficient of -0.1220 with a probability level of $0.0892 > 0.05$, it can be concluded that Ho is accepted and Ha is rejected. This means that the Current Ratio has no significant effect in a negative direction on stock returns.
2. Hypothesis testing for Debt to Equity Ratio (H2)
Based on the table above, it shows the estimation results of the Debt to Equity Ratio have a coefficient of 0.0209 with a probability level of $0.7258 > 0.05$, it can be concluded that Ho is accepted and Ha is rejected. This means that the Debt to Equity Ratio has no significant effect in a positive direction on stock returns.
3. Hypothesis testing for Total Assets Turnover (H3)
Based on the table above, it shows the estimation results of Total Assets Turnover have a coefficient of 0.8274 with a probability level of $0.0025 < 0.05$, it can be concluded that Ho is rejected and Ha is accepted. This means that Total Assets Turnover has a significant effect in a positive direction on stock returns.
4. Hypothesis testing for Return On Assets (H4)
Based on the table above, it shows the estimated results of Return On Assets have a coefficient of -2.8331 with a probability level of $0.0000 < 0.05$, it can be concluded that Ho is rejected and Ha is accepted. This means that Return On Assets has a significant effect in a negative direction on stock returns.

4.6.2 Statistical Test F

Based on the table 4.12 above, it is obtained the calculated F value of 11.58504 with a probability (Prob F-Statistics) of 0.000000 smaller than 0.05 (significant value), it is concluded that the model can be used to predict stock returns using predetermined variables.

4.7 The Coefficient of Determination (R^2)

Based on table 4:12, it shows that the adjusted R^2 value of 0.377452 provides information that 37% of the variable Current Ratio, Debt to Equity Ratio, Total Assets Turnover, and Return On Assets have an effect on stock returns and the rest is influenced by other factors outside the variable.

4.8 Research Findings

4.8.1 Influence Current Ratio (CR) to Stock Return

Based on table 4:12, the regression coefficient value for the Current Ratio variable is -0.027069 with a probability value of 0.0892 (greater than the significant level). This shows that the effect of the current ratio is a negative and insignificant effect on stock returns. So that the hypothesis in this study is rejected.

Current Ratio is the company's ability to pay its short-term debt. In this study, CR shows that the negative effect is not significant to stock returns. This is because a high CR indicates inefficient use of cash and other current assets (Ross, et al, 2015). This is because the company has inventory on hold, has an excess of trade receivables, this indicates that the held inventory is not sold and reflects a lot of outstanding sales credits. In addition, the company also has an excess cash balance. According to Ross, et al (2015: 27) liquid assets are usually less profitable to store. For example, cash owned by a company is the most liquid asset of the entire investment. but cash often does not provide any return at all, it is just cash. This confirms that changes in the value of the Current Ratio in the property and real estate sectors have no effect on stock returns.

The results of this study are in line with the results of research conducted by Komala (2014) and Asmi (2014) which state that the Current Ratio has a negative and insignificant effect on stock returns. In contrast to research conducted by Putra and Dana (2016) and Wardani, et al (2016) which state that the Current Ratio has a significant positive effect on stock returns of property and real estate companies. And research conducted by Setiyono, et al (2018), Lestari (2016) and Bisara, et al (2015) states that the Current Ratio has a positive and insignificant effect on stock returns. The research conducted by Bustami, et al (2018) states that the Current Ratio has a significant negative effect on stock returns in the property and real estate sectors.

4.8.2 Influence Debt to Equity Ratio (DER) to Stock Return

Based on table 4:12, the regression coefficient value for the Debt to Equity Ratio variable is 0.020958 with a probability value of 0.7258 (greater than the significant level). This shows that the effect of Debt to Equity Ratio is a positive and insignificant effect on stock returns. So that the hypothesis in this study is rejected.

This is due to investors' views on value *Debt to Equity Ratio* a high indicates the company's total debt is getting bigger, so that the debt burden can reduce the company's profit. On the other hand, a low Debt to Equity value indicates the low ability of management's own capital to be used as a guarantee for all management's obligations in developing operational productivity. In this case the understanding of the role of the Debt to Equity Ratio for the company is ignored by investors for their investment decisions, so that it does not really affect the price and stock returns.

The results of this study are different from the results of research conducted by Wardani, et al (2016) and Bustami, et al (2018) which show that DER has a significant positive effect on stock returns. However, in line with the results of research conducted by Asmi (2014), Setiyono, et al (2018) and Bisara, et al (2015), it is stated that DER has a positive and insignificant effect on stock returns in the property and real estate sectors. Meanwhile, research conducted by Oktiar (2014) states that DER has a significant negative effect on stock returns. The research conducted by Putra and Dana (2016), Lestari (2016) and Salim, et al (2016) states that DER has a negative and insignificant effect on stock returns in the property and real estate sectors.

4.8.3 Influence Total Assets Turnover (TATO) to Stock Return

Based on table 4.12, the regression coefficient value for the Total Assets Turnover variable is 0.827489 with a probability of 0.0025 (smaller than the significant level). This shows that the effect of Total Assets Turnover is positive and significant on stock returns. So that the hypothesis in this study is accepted. Based on these results, it shows that companies with good sales conditions will attract investors to invest. This causes the stock price to increase, the stock price increases resulting in increased stock returns as well.

The results of this study are different from the results of research conducted by Setiyono, et al (2018), Asmi (2014) and Bisara, et al (2016) which state that TATO has no

significant negative effect on stock returns in the property and real estate sectors. However, the results of this study support the results of research conducted by Salim, et al (2016), McGowan (2015), Bustami, et al (2016) and Wardani, et al (2016) which state that TATO has a significant positive effect on stock returns in the property sector and real estate.

4.8.4 Influence Return On Assets (ROA) to Stock Return

Based on table 4:12, the regression coefficient value for the Return on Assets variable is -2.833170 with a probability of 0.0000 (smaller than the significant level). This shows that the effect of Return on Assets is a significant negative effect on stock returns. So that the hypothesis in this study is accepted.

These results indicate that the company with the conditions *Return On Assets* The negative thing is that there are different considerations from investors in assessing ROA on stock returns, investors only see the prospects of the property and real estate sectors in the future, because the property sector depends on interest rates, inflation, and economic growth. If in the future economic growth improves, it will also have an impact on the property and real estate sector, thereby increasing stock returns.

4.2. The results of this study contradict the results of research conducted by Wardani, et al (2016) which states that Return on Assets has a significant positive effect on stock returns in the property and real estate sectors. However, this study is in line with Komala's (2014) study which states that ROA has a significant negative effect on stock returns. Meanwhile, research conducted by Asmi (2014) and Lestari, et al (2016) states that ROA has a negative and insignificant effect on stock returns of property and real estate companies. The research conducted by Putra and Dana (2016), Bisara (2015), McGowan (2015), Maryam Anwaar (2016) and Bustami, et al (2018) shows that the ROA results have a significant positive effect on stock returns in the property and real estate sector. .

V. CONCLUSIONS AND SUGGESTIONS

5.1. Conclusion

Based on the description of the research results and data analysis described in the previous chapters about the effect of liquidity, solvency, activity, and profitability on stock returns in property and real estate companies listed on the Indonesia Stock Exchange for the period 2014-2018 where each variable independent proxies by Current Ratio, Debt to Equity Ratio, Total Assets Turnover and Return On Assets, it can be concluded as follows:

1. *Current Ratio* has a negative and insignificant effect on stock returns in the property and real estate sectors on the Indonesia Stock Exchange.
2. *Debt to Equity Ratio* has a positive and insignificant effect on stock returns in the property and real estate sectors on the Indonesia Stock Exchange.
3. *Total Assets Turnover* has a significant positive effect on stock returns in the property and real estate sectors on the Indonesia Stock Exchange.
4. *Return On Assets* has a significant negative effect on stock returns in the property and real estate sectors on the Indonesia Stock Exchange.

5.2 Suggestion

1. For Investors
Investors should not look only at financial performance, but look at the property industry and *real estate* by looking at prospects future economic growth.
2. For Companies
For the property and real estate industry, it is necessary to pay attention to company inventory and increase sales.

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