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The Effect of Financial Performance to Share Returns on Companies IDX 30 Indexed During The Covid Pandemic at The Indonesian Stock Exchange

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ABSTRACT
This research is a replication of several previous on going studies due to previous research results that tried to test the influence of financial performance on stock returns on IDX 30 during the covid 19 pandemic. The study is intended to obtain an explanation of empirical facts on the influence of factors described through financial stability, external pressure, and financial targets together and partial influences financial statement fraud on banking companies during the period of COVID 19 on the Indonesian Stock Exchange. The population in this study is all IDX 30 indexed companies on the Indonesian Stock Exchange, namely as many as 30 companies. With sample count of 22 companies. The type of data used in this study was secondary data with the amount of observation from 2019-2020 during the COVID 19 pandemic period so that it became a sample of observation of 22 X 2 = 44 samples, and the scale used in this study was the scale of ratio and analysis of data used was with the multiple linear regression approach at a significant rate of 5%. Research will be very useful input for investors as an important guideline for looking at the condition of the company and the fundamental aspects to assess the expectations of the return (return shares) that it will acquire and as a decision maker to buynot buy shares of the company. The results of this research are also expected to be used by IDX 30 companies to find out their condition and finances so as to improve the financial performance of the next period that will eventually affect the company's stock price. In addition, this research can also be used as the basis for advanced research to review financial performance viewed from different perspectives of financial instruments.

Keywords **:** *Inventory Turn Over; Earning Per Share; Debt to Equity; Return On Equity; Stock Return*

INTRODUCTION

As companies get more capital from investors then companies can develop to advance in generating huge profits. The important role of a financial manager greatly increases the company's value. The value of the company can be seen in the financial statements. The created financial statements may provide information about the financial condition of a company during a particular period. The financial statements are also a source of information for investors to know the company's development as a factor in making investments. Return stocks were the profit enjoyed by the VCS on investments they undertook. Returns large shares make the investors' consideration in making decisions to invest their funds. It is important for companies to increase financial performance in a positive impact on the company's return share.

The growth in the number of people's investment INA company can be influenced by the factors within a company that can be seen from financial performance. Financial performance illustrates the company's financial condition and development of good or bad the financial situation of a company reflecting job performance that provides an indicator of an investor making the decision to invest. Since April 23, 2012, the Indonesian stock market has launched a new index of idx 30. The idx 30 index is one of the stock index that measures the price of 30 shares that own high liquidity and capitalization of large markets and is supported by good fundamentals. He said the rupiah was expected to strengthen to Rp 9,100 per dollar in the Jakarta interbank spot market on Tuesday. The idx 30 index is the index that measures corporate liquidity, which is the financial status of the company as a guide to investment.

Free float is a total public-owned share with less than 5%. A free float of stocks constitutes a percentage of shares of a public go company that people can buy. As of April 2020, the share of the index (sheet) has suffered a decline in PT Aneka Tambang (ANTM) is 8.367.512.277 after evaluated

become 8.365.109.201. Bank Central Asia (BBCA) is 6.795.954.972 to 6.327.015.799. Bank Rakyat Indonesia (Indonesian People's Bank) 51.010.307.950 to 45.650.620.322. Barito Pacific Tbk (BRPT) is 25.100.988.148 to 24.497.341.741. This shows the average market share of 2019-2020 deductions during covid 19. Kalbe farmatbk (KLBF) has increased by 20,653,178,802 to 20,667,241,338.

Literature Review

Financial Performance

Financial performance context in the context of the business world contains a very broad understanding because it is needed to know and evaluate to what extent the level of success based on financial activities. According to Sujarweni (2017) performance is the result of an evaluation of the work that has been completed, the results of the work are compared with the criteria set together. Meanwhile, according to Fahmi (2014) financial performance is an analysis conducted to see the extent to which a company has implemented using the rules of financial implementation rules properly and correctly. According to Rudianto (2013) financial performance is the result or achievement that has been achieved by company management in carrying out its function of managing company assets effectively during a certain period.

Working Capital

According to Harahap (2011) working capital is current assets minus current debt. Working capital is a measure of the security of short-term creditor interests. Working capital can also be thought of as funds available to invest in current assets or to pay non-current debts. In addition, the definition of working capital is explained by Kasmir (2012), namely "The definition of working capital is capital used to carry out company operating activities. Working capital is defined as investment invested in current assets or short-term assets, such as cash, banks, securities, receivables, and inventories".

Inventory Turnover

Or also called inventory turnover. Total inventory is all inventory used for the production process at the end of the financial year consisting of raw material inventory, semi-finished goods inventory and finished goods inventory plus spare parts inventory.

$$\text{Turnover inventory} = \frac{Total\ Inventory}{Total\ Business\ Income} \text{ x 365 days}$$

Earnings per Share (EPS)

Earnings per Share (EPS) is derived from the earnings available to common shareholders with the average number of common shares outstanding. Earnings per Share (EPS) is the ratio of net profit after tax to the number of shares (Darmadji, 2006).

$$\text{EPS} = \frac{Net\ Profit\ After\ Tax}{Outstanding\ Share}$$

Return On Equity (ROE)

Return on Equity (ROE) is a measure of a company's ability to generate profits by using its own capital so that Return on Equity (ROE) is often the profitability of own capital. ROE is also one of the indicators used by shareholders to measure the success of the business undertaken (Sugiyono, 2013), can be calculated by the following formula:

$$\text{ROE} = \frac{Net\ Profit\ After\ Tax}{Owner's\ Equity}$$

Debt to Equity (DER)

Debt to Equity (DER) is an aspect that is assessed in measuring company performance, namely leverage or company debt. Debt to equity ratio is a ratio that measures the extent to which the amount of debt can be covered by own capital.

$$DER = \frac{Total\ Debt}{Owner's\ Equity}$$

Financial Ratios

According to Harahap (2011) financial ratios are numbers obtained from the results of comparison of one financial statement item with another post that has a relevant and significant relationship. This ratio is very important in conducting an analysis of the company's financial condition.

METHODS

The research site is an indexed Indonesia stock exchange (BEI) IDX 30, in this case it is done by taking company data indexed IDX 30 through financial reports issued through the Indonesia Stock Exchange. Indonesia's economic growth was expected to reach 6.3 percent in the third quarter of 2007, he said. The data retrieval period is 2019-2020 data. The research object is an IDX 30 index company registered to the Indonesian stock exchange. The population of this study are all IDX 30 indexed companies listed on the Indonesia Stock Exchange, totaling 30 companies.

Ghozali (2016) proves the hypothesis by using the following test equipment: these criteria, the calculated F value is obtained compared to the F table with a level of significance in this case 0.05 and degree of freedom = n-k-1. Statistical t-test, to test partially between independent variables and dependent variables with the assumption that other variables are considered constant, with a confidence level of 95% (α = 5%). This test is carried out at the same time to see the regression coefficients individually for the research variables. The highest regression coefficient is the dominant coefficient that influences the dependent variable of the study.

RESULT

Table 1
Normality Test Results After Outliers with One-Sample Kolmogorov Smirnov

N		43
Normal Parameters[a,b]	Mean	-,0487730
	Std. Deviation	,28337763
Most Extreme Differences	Absolute	,132
	Positive	,132
	Negative	-,097
Kolmogorov-Smirnov Z		,864
Asymp. Sig. (2-tailed)		,444

Source: processed data

Based on Table 1 the results of the analysis that has been carried out are that the Kolmogorov-Smirnov Test with a K-S value = 0.444 is greater than 0.05, which means that the residual values are normally distributed.

Table 2
Multicolonoierity Test Results After Outliers

Model		Unstandardized Coefficients	Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Beta			Tolerance	VIF
1	(Constant)	,050		,417	,679		
	ITR	-,001	-,018	-,110	,913	,962	1,040
	EPS	-,003	-,146	-,877	,386	,903	1,107
	DER	,011	,053	,298	,767	,798	1,253
	ROE	-,016	-,033	-,183	,856	,748	1,337

Source: processed data

Table 2 shows that there is no correlation between the independent variables, meaning that there is no multicollinearity. A regression model is declared free from multicollinearity if it has a

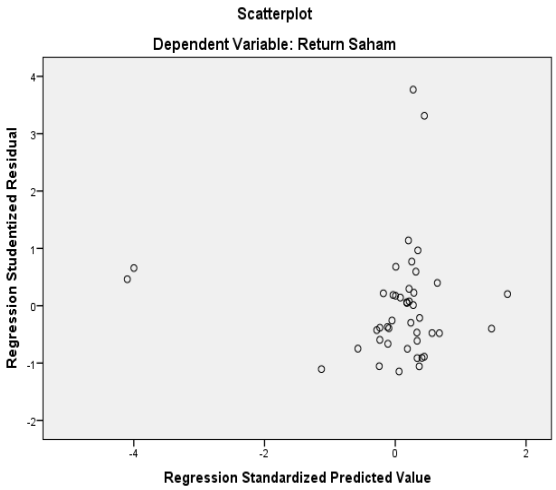
tolerance value greater than 0.10 then multicollinearity does not occur and vice versa or it can be seen from the VIF (Variance Inflation Factor) value if the VIF value is <10 then multicollinearity does not occur in the regression model and vice versa if VIF value > 10 then there is multicollinearity in the regression model.

Tabel 3
Autocorrelation Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,181[a]	,033	-,066	,345562	2,128

Source: processed data

Based on Table 3 it shows that the Durbin Watson (DW) value is 2.128 whereas if you look at the DW for the 4 independent variables (k) = 4 and the amount of data is 43 for the significance level = 0.05 it is obtained dL = 1.3663 and dU = 1.6632 so that 4 -1.6632 = dU = 2.3368 and 4 – dL is 2.6337 then dU < DW < 4-dU then 1.6632 < 2.128 < 2.3368 then there is no positive or negative autocorrelation the result is the decision is not rejected. In table 3 it can be seen that the Adjusted R Square value is -0.66 or 66% meaning that Inventory Turnover, EPS, DER, ROE can explain the Stock Return of 66% and the remaining 44% is explained by other variables not included in the research model. below 50%.



Source: processed data

Figure 1
Heteroscedasticity Test Graph

Based on figure 5 the results of the heteroscedasticity test on the scatterplot show that there is no heteroscedasticity, it can be seen from the curve spreading below point 0 and above point 0. This shows that the regression model is feasible to use.

Table 4
Model Regression Equations

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-,011	,060		-,186	,854
	ITR (X1)	-2,154E-006	,000	-,027	-,168	,867
	EPS (X2)	-,002	,002	-,165	-,988	,330
	DER (X3)	,007	,024	,053	,296	,768
	ROE (X4)	-,002	,058	-,007	-,041	,968

Source: processed data

Table 4 the multiple regression model between the independent variable (X) on the dependent variable (Y) can be formulated in the form of the following equation:

Stock returns = -0.011 – 2 .154 Inventory turnover – 0.002 EPS - 0.007 DER - 0.002 ROE

Based on the results of the multiple regression equation, the effect of each of these independent variables on stock returns can be interpreted as follows:

1. The constant value (b0) = -0.011 indicates that if the value of the independent variable is assumed to be equal to zero, then the value of Stock Return is -0.011.
2. The regression coefficient b1 is -2,154 indicating that every 1% increase in Inventory Turnover will be followed by an increase in Stock Return of 2,154% assuming the value of the other independent variables is equal to zero. This means that between Inventory Turnover and Stock Return shows a negative relationship between Inventory Turnover and Stock Return.
3. The regression coefficient b2 of -0.002 EPS indicates that every 1% increase in lending will be followed by an increase in stock returns of 0.002% assuming the value of the other independent variables is equal to zero. This means that EPS and stock returns show a negative relationship between EPS and stock returns.
4. The regression coefficient b3 of -0.007 DER indicates that every 1% decrease in DER will be followed by an increase in stock return of 0.007% assuming the value of the other independent variables is equal to zero. This means that between DER and Stock Return shows a negative relationship.
5. The regression coefficient b4 of -0.002 ROE indicates that every 1% increase in ROE will be followed by an increase in ROA of 0.002% assuming the value of the other independent variables is equal to zero. This means that between ROE and Stock Return shows a negative relationship.

Table 5
Statistical Test F

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	,158	4	,040	,331	,856[b]
	Residual	4,657	39	,119		
	Total	4,815	43			

Source: processed data

Based on the results of the F statistical test in Table 5 shows that the significant value is 0.856 because 0.856 > 0.05. While the F table at the 5% confidence level with df 1 is k – 1, namely 4 – 1 = 3 and df 2 is n – k, namely 43 – 4 = 39 and F count > F table, where F count is 0.331 and F table when viewed from the statistical table with α 0.05 is 2.85. Thus it can be concluded that the value of F count < F table or 0.331 < 2.85 means the independent variable (X) simultaneously no significant effect on the dependent variable (Y).

Table 6
Uji Statistik t

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,050	,120		,417	,679
	ITR	-,001	,007	-,018	-,110	,913
	EPS	-,003	,004	-,146	-,877	,386
	DER	,011	,037	,053	,298	,767
	ROE	-,016	,088	-,033	-,183	,856

Source: processed data

Based on the results of the t test contained in Table 6, partially the effect of each can be described as follows:

1. The ITR variable is negative at t count of -0.110 which is smaller than ttable = 1.684 with a significance level of 0.913 which is greater than 0.05 so it can be concluded that the ITR variable has no significant negative effect on Stock Returns, meaning that in this condition the Ha hypothesis cannot be accepted.

2. The EPS variable has a negative value at t count of -0.877 which is smaller than ttable = 1.684 with a significance level of 0.386 which is greater than 0.05 so it can be concluded that the EPS variable has a non-significant negative effect on Stock Returns, meaning that in this condition the Ha hypothesis cannot be accepted.
3. The DER variable has a positive value at t count of 0.298 which is smaller than ttable = 1.684 with a significance level of 0.767 which is greater than 0.05 so that it can be concluded that the DER variable has an insignificant positive effect on Stock Returns, meaning that this condition the Ha hypothesis cannot be accepted.
4. The ROE variable has a negative value at t count of -0.877 which is smaller than ttable = 1.684 with a significance level of 0.856 which is greater than 0.05 so that it can be concluded that the EPS variable has no significant negative effect on Stock Returns, meaning that in this condition the Ha hypothesis cannot be accepted.

CONCLUSION

Increasing financial performance shows a company's performance is improving and will earn an increased profit. As corporate profits rise, it will appeal to investors and or potential investors to invest. Based on simultaneous test results or statistics F tests conducted by itr variables, eps, der, roe does not have any significant impact on return stocks. This indicates that investors have not yet fully utilized the information on the financial statements in making investment decisions.

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