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Influence of NPM, PBV, DER, TATO, and EPS on Stock Prices of Automotive Sub Sector Companies and Its Components Listed on IDX in 2014 - 2018

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Abstract

This study aims to determine the effect of Net Profit Margin, Price Book Value, Debt to Equity Ratio, Total Asset Turnover, and Earning per Share on the Stock Prices of Automotive and Components sub sector companies listed on Indonesia Stock Exchange in 2014 - 2018. Purposive sampling method was used to obtain samples of 12 out of 13 companies as the population. The research method used was multiple linear regression analysis techniques using SPSS 19.0. The results of this study indicate that partially, the Net Profit Margin, Debt to Equity Ratio and Total Asset Turnover variables have no effect on the Stock Price, while the Price Book Value and Earning per Share variables have an influence on the Stock Price. Simultaneously, all independent variables have an influence on stock prices

Keywords: Net Profit Margin; Price Book Value; Debt to Equity Ratio; Total Asset Turnover; Earning per Share; Stock Prices

1.0 INTRODUCTION

In carrying out its activities, a company always needs funds, both for operational activities and for business expansion. These funds can be obtained from the owner's capital and creditors. However, it is usually not enough for a large company to rely only on the capital from the owner and creditors. In the era of globalization and free markets, business competition is getting stronger and tougher - with competitive conditions that require a company to develop its businesses in order to survive and keep up with developments. Likewise with the stock price of one of the manufacturing sub-sectors that has become a concern lately, the automotive industry and its components. The automotive sub-sector industry and its components is one of the mainstay sectors whose development continues to be prioritized because of its major role in the national economy. The automotive world is growing rapidly, besides it is also followed by the development of various supporting components.

President Joko Widodo also believes that the large domestic automotive market and its components will add more appeal to investors to invest in Indonesia. With so many investors investing in Indonesia, it will increase employment opportunities. A chart of sales of two-wheeled vehicles and four-wheeled vehicles from 2014-2018 can be seen in Figure 1. Figure 1 indicates changes in the level of sales of two-wheeled and four-wheeled vehicles in 2014-2018 were seen in the decreased sales from 2014 to 2017 however in 2018 the sales increased again. Wherein, in 2014 the sales of two-wheeled vehicles reached 7.9 million and the sales of four-wheeled vehicles reached 1.2 million. In 2015, the sales of two-wheeled and four-wheeled vehicles decreased, with 6.48 million for two-wheeled vehicles and 1.01 million for four-wheeler vehicles. In 2016 and 2017, the level of sales of two-wheeled and four-wheeled vehicles continued to decrease/decline. However, in 2018 the sales of two-wheeled and four-wheeled vehicles increased again, with 6.3 million for two-wheeled vehicles and 1.51 million four-wheeled vehicles.
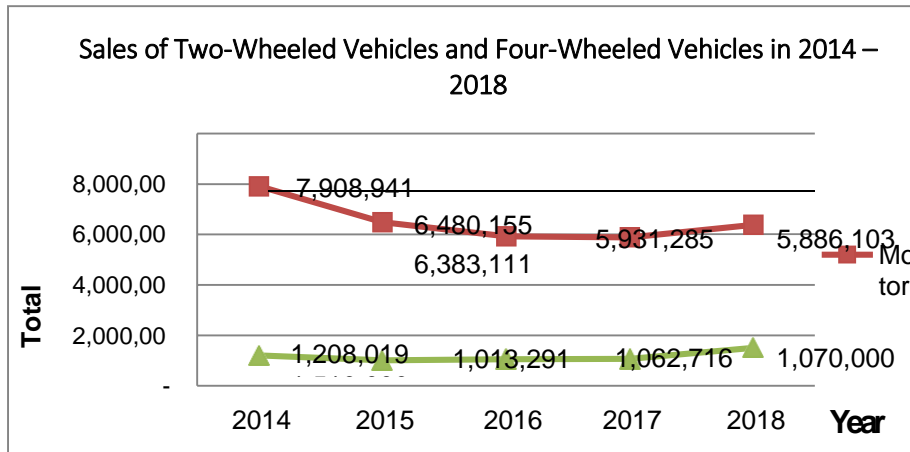
Source: Kompas.com

Figure 1. Sales of Two-Wheeled Vehicles and Four-Wheeled Vehicles in Indonesia in 2014 – 2018

The following is a chart of changes in the average stock price of automotive sub-sector industry and its components listed on the Indonesia Stock Exchange (IDX) from 2014-2018.
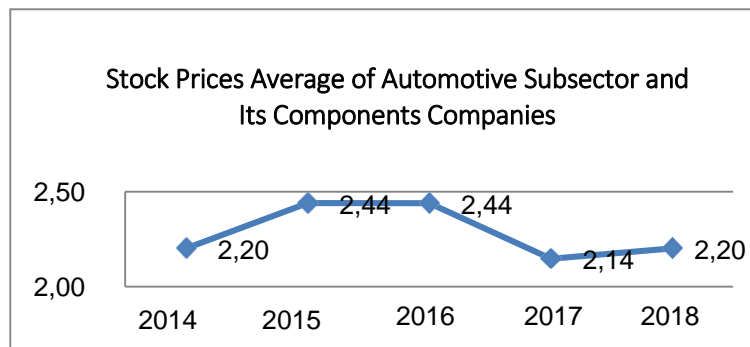
Source: www.idx.com (Processed data, 2019)

Figure 2. Stock Prices Average of Automotive Subsector and Its Components Companies Listed on Indonesia Stock Exchange in 2014-2018

It can be seen from Figure 2 that changes in the average stock price of the automotive sub-sector industry and its components from 2014-2018 were seen from the price volatility. In 2014 the stock price of the automotive sub-sector industry and its components was 2,202, while in 2015 it was 2,441 and in 2016 it was 2,440, in 2017 it decreased to 2,148 and in 2018 it increased again to 2,202. In investing, investors need information regarding the company fundamentals. Fundamental analysis of the company will explain the strengths and weaknesses of the company's financial performance, including financial ratios.

In fundamental analysis, there are financial ratios that can be used as benchmarks to measure the financial condition of a company and explain some of the company's financial strengths and weaknesses. These ratios consist of the ratio of profitability, liquidity, solvency, activity and the market. Of the five ratios, one of them can be used to measure the company's finances.

Net Profit Margin (NPM) is the ratio used to show the company's ability to generate net profits. According to (Fahmi, 2013) Net Profit Margin is a comparison between net income and sales. The greater the NPM, the more productive the company's performance will be, thereby increasing investor confidence in investing in the company. This ratio shows how much the percentage of net income is obtained from each sale. The greater this ratio is, the better the company's ability to earn high profits.

Price to Book Value is a measure that serves to see whether the stock in a company can be said to be expensive or cheap. The Price Book Value is obtained from dividing a company's stock price by its book value per share.The definition of Price to Book Value (PBV) according to (Darmadji, 2012) is a comparison between the market price and the stock book value. For a company that is doing well, this ratio generally reaches above one, which indicates that the market value of the stock is greater than its book value. The greater the PBV ratio, the higher the company is assessed by investors relative to the funds that have been invested in the company.

Debt to equity ratio is the ratio used to value debt to equity. This ratio is found by comparing all debt,

including current debt, to total equity. This ratio is used to determine the amount of funds provided by the borrower (creditor) and the owner of the company. In other words, this ratio serves to determine each rupiah of own capital that is used as collateral for debt. According to (Kasmir, 2013) *Debt to equity ratio* (DER) is a ratio used to measure debt to equity. This ratio is calculated by comparing all debt, including current debt, to all company equity.

Total Asset Turnover (TATO) is a part of the activity ratio. This ratio shows how effective the investment is at the time of making the financial statements, thus it can be estimated whether the company management is able to make the existing capital effective so that later it can be compared the number/total of sales that occur per unit of assets owned by using this ratio. According to (Syamsuddin, 2011), Total Asset Turnover is the level of efficiency in the use of all company assets in producing a certain sales volume.

Earning per Share or commonly abbreviated as EPS is an important equation in accounting. This EPS equation or formula is also used in the capital market investing, especially stocks. According to (Kasmir, 2016) EPS ratio is used to measure the success of management in achieving benefits for stockholders. The higher the EPS value, the happier the stockholders will be - because the profit provided to stockholders is greater.

This study aimed to determine the effect of Net Profit Margin, Price Book Value, Debt to Equity Ratio, Total Asset Turnover, and Earning per Share on stock prices of the automotive sub-sector industry and its components which is listed on the Indonesian stock exchange in 2014-2018 periods.

2.0 LITERATURE REVIEW

Capital Market
According to (Sunariyah, 2011) the capital market is a meeting place between the supply and demand for securities. So in this place, market players, namely individuals and business entities who have surplus funds, make business capital investments in the form of securities offered by the issuer. Meanwhile, according to (Martalena and Marlinda, 2011), the capital market consists of two words, namely market and capital. So, the capital market can be defined as a place where the supply and demand for capital meet, both in the form of equity, namely owner's rights to company assets which are net assets (total assets minus liabilities) and long-term.

Financial Statement
According to (Kasmir, 2013) a financial statement is a statement that contains information about a company's finances which shows its current financial condition or financial condition at a certain period. Meanwhile, according to (Munawir, 2012) financial statement is the result of an accounting process that can be used as a means of communication between the activities (financial data) of the company.

Stock
According to (Darmadji, 2012) stock is a sign of the participation or ownership of a person or entity in a company or limited liability company. Stock is in the form of a sheet of paper which states that the owner of the paper is the owner of the company that issued the securities. The stock price is formed through the supply and demand mechanism in the capital market. If a stock experiences an increase in demand, the stock price tends to increase. Conversely, if the supply increases, the stock price tends to decrease. Maximizing stockholder wealth is translated into maximizing the company's stock price. Based on the understanding of the experts above, it can be concluded that the stock price is the price that is formed according to the supply and demand on the sale and purchase market of stock and is usually the close price.

Hypothesis Formulation
The Relationship between Net Profit Margin and Stock Prices
NPM is one of the ratios which is used to see the ability of a company to generate net profits after tax. A research conducted by Rescyana (2012) reveals that Net Profit Margin affects stock prices.

H1: Net Profit Margin affects the stock price of Automotive Companies listed on the Indonesia Stock Exchange in 2014-2018.

The Relationship between Price Book Value and Stock Prices
PBV is a comparison of the stock price in the market with the company's book value. This ratio is also often used by investors to assess the fair price of a company. A research conducted by Dewi (2013) shows that Price Book Value has a significant positive effect on the stock price of food and beverage companies listed on the IDX during the observation years of 2014-2018.

H2: Price to Book Value has a significant positive effect on the stock price of Automotive Companies listed on the Indonesia Stock Exchange in 2014-2018.

The Relationship between Debt to Equity Ratio and Stock Prices
Debt to Equity Ratio shows the company's ability to meet its obligations which is shown in how much part of its own capital is used to pay debts. A research conducted by Hutapea (2017) shows that the Debt to Equity Ratio (DER) has a significant effect on stock prices.
H3: Debt to Equity Ratio (DER) has a significant effect on the stock price of Automotive Companies listed on the Indonesia Stock Exchange in 2014-2018.

The Relationship between Total Asset Turnover and Stock Prices
Total Asset Turnover (TATO) is the ratio that shows the relationship between net sales and fixed assets. A research conducted by (Hutapea, 2017) shows that TATO has a significant effect on stock price.
H4: TATO has a significant effect on the stock price of Automotive Companies listed on the Indonesia Stock Exchange in 2014-2018.

The Relationship between Earning per Share and Stock Prices
EPS is the ratio used by investors to see the profit generated by a company during a certain period. A research conducted by (Watung, 2015) shows that Earning per Share (EPS) has a significant effect on stock prices on the Indonesia Stock Exchange in 2014-2018 periods.
H5: Earning Per Share (EPS) has a significant effect on stock prices Automotive Companies listed on the Indonesia Stock Exchange in 2014-2018.

Conceptual Framework
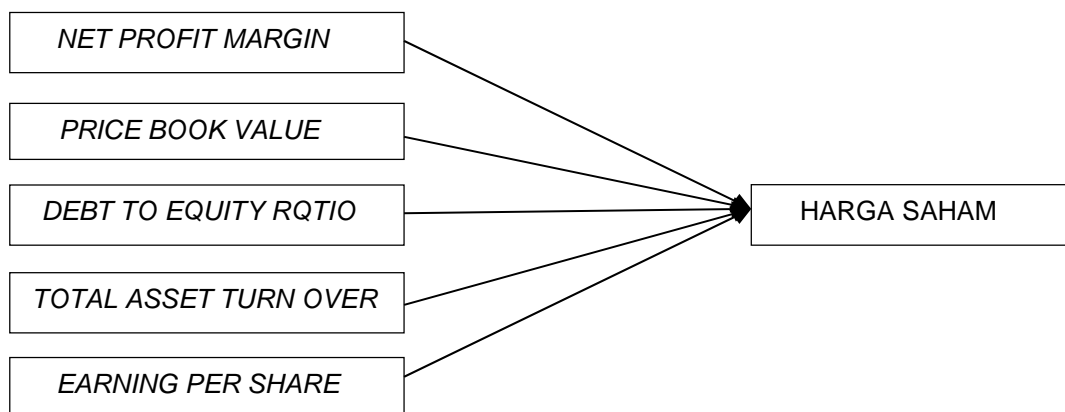Figure 3 show the conceptual framework of this research.

Figure 3. Conceptual Framework

3.0 METHODOLOGY

Place and Time of Research
This research was conducted/done by taking secondary data from the Indonesia Stock Exchange which was published and obtained through the official website of the IDX for 2014-2018 periods which publishes financial statements, namely the annual report published on the IDX (Indonesia Stock Exchange). The research period was 6 months, from August 2019 to January 2019.

Population and Population Sample
Population is a generalization consisting of objects or subjects that have certain qualities and characteristics that are determined by the researchers to be studied in order to draw conclusions. The population in this study was automotive companies and its components which are listed as issuers on the Indonesia Stock Exchange (BEI) within a span of 5 years. The total population in this study was 13 companies.

Sample

According to (Sugiyono, 2014) a sample is part of the total and is a characteristic of the population which means that the sample taken should represent the population. The samples in this study were taken/selected by using a purposive sampling method. A purposive sampling is a technique of sampling data sources with certain considerations. The samples used in this study were 12 companies that had met the objective requirements.

Operational Definition
Research Variables
Dependent Variable

The dependent variable is the variable that is affected by or that is the result of - the independent variable(s) (Sugiyono, 2014). The dependent variable used in this study is the stock price. The stock price data used is the stock price data of the automotive sector listed on the Indonesia Stock Exchange.

Independent Variable

The independent variable is a variable that affects or causes changes in the dependent variable. The researchers used 5 independent variables, namely: *Net Profit Margin* (NPM), *Price to Book Value* (PBV), *Debt to Equity Ratio* (DER), *Total Asset Turnover* (TATO), and *Earning per Share* (EPS).

Data Analysis Technique
Descriptive Analysis

This descriptive analysis was used in this study to provide a description of the data on the research variables used. The data seen were the amount of data, minimum value, maximum value, and average/mean value.

Classic Assumption Test

The classic assumption test was used to test the feasibility of a regression model that was used in this study. This classic assumption test consisted of 4 parts, namely: (1) Normality Test, which aimed to see whether the data to be studied were normally distributed or not by using the p-plot analysis on SPSS, where the points on the p-plot must be spread out and (must) follow the direction of the diagonal line. (2) Autocorrelation test, detecting the autocorrelation symptoms were done by using the Durbin Watson test (d). The results of the Durbin-Watson (d) calculation were compared with the dtabel value at α = 0.05. (3) Heteroscedaticity test, which aimed to test whether a linear regression model have variance and residual differences from one observation to another. (4) Multicollinearity test, which aimed to test whether in a regression model is found a correlation between the independent variables. Multicollinearity detection was done by looking at the VIF value of < 10 and Tolerance of > 0.1 (Sanusi, 2017: 136).

Multiple Linear Regression Analysis

This data analysis was used in this study to show the relationship between the dependent variable and the independent variables by using multiple linear regression analysis, namely:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + e$$

Where:
Y   = Stock Price
A   = Constant
b (1,2,3,4,5)   = Regression Coefficient
X_1 =*Net Profit Margin (NPM)*
X_2 =*Price Book Value (PBV)*
X_3 =*Debt to Equity Ratio (DER)*
X_4 =*Total Asset Turnover (TATO)*
X_5 =*Earning per Share (EPS)*
e   =*error* (Other factors)

Model Test/f Test

The f test was used in this study to determine whether all independent variables in the regression model have a simultaneous (joint) influence on the dependent variable. The method of testing is as follows: If the value of F count > F table or a significant value of < 0.05 then all of the independent variables tested have a simultaneous influence on the dependent variable. Meanwhile, if the value of F count < F table or significant value of > 0.05,

then all of the independent variables do not simultaneously influence the dependent variable.

Determination Coefficient Test (R^2)

The R^2 value was used in this study to see or measure the best accuracy of a multiple regression analysis. According to Sanusi (2017: 136), the multiple linear regression equation will look better if the coefficient of determination (R^2) is bigger (close to 1) and tends to increase in value - in line with the increase in the number/total of independent variables.

Partial test/t Test

The partial test was used in this study to see whether there is an effect of each independent variable individually on the dependent variable. The method of testing is as follows: If the value of t count > t table or a significant value of < 0.05, then the independent variable has a partial effect on the dependent variable. Meanwhile, If the value of t count < t table or significant value of > 0.05, the independent variable has no partial effect on the dependent variable.

3.0 RESULTS AND DISCUSSION

Bound Variable (Y)

The average of stock price variable in 2014 was Rp. 2,202; after that in 2015 it increased to Rp. 2,441; then in 2016 it decrease to Rp. 2,440; next in 2017 it decreased again to Rp. 2,148; lastly in 2018, the average stock price increased to Rp. 2,202. So, from 2014 to 2018 periods the stock price experienced price instability and the highest stock price occurred in 2017.

Independent Variable (X)

The independent variables studied in this study were:

Net Profit Margin (NPM)

The lowest Net Profit Margin was found at PT. Multi Prima Sejahtera (LPIN) with a value of -45.18% in 2016. Meanwhile, the company with the highest Net Profit Margin level was also PT Multi Prima Sejahtera (LPIN) with a value of 186.48% in 2017. The highest average value of Net Profit Margin was in 2017 while the lowest was in 2015. When viewed based on the average value of each company, the highest Net Profit Margin value was at PT. Multi Prima Sejahtera (LPIN) with an average of 29.08% and the lowest Net Profit Margin value was at PT. Multistrada Arah Sarana (MASA) with an average of -3.34%.

The average Net Profit Margin variable in 2014 was 4.54%, in 2015 it decreased to 0.09%, in 2016 it increased to 0.46% and in 2017 it increased to 19.50% then in 2018 it decreased again to 7.02%.

Price to Book Value (PBV)

The lowest Price Book Value was found at PT. Goodyear Indonesia Tbk (GDYR) with a value of 0.11 in 2014. Meanwhile, the company with the highest Price Book Value was PT. Selamat Sempurna (SMSM) with a value of 4.76 in 2015.

The average Price Book Value variable in 2014 was 0.92, in 2015 it increased to 1.05, in 2016 it decreased to 0.95, in 2017 it increased to 1.04 and continued to increase in 2018 to 1.05.

Debt to Equity Ratio (DER)

The lowest Debt to Equity Ratio was found at PT. Multi Prima Sejahtera (LPIN) in 2018 with a value of 0.09. Meanwhile, the company with the highest Debt to Equity Ratio variable was also PT. Multi Prima Sejahtera (LPIN) - this was because in 2016 the Debt to Equity Ratio of PT. Multi Prima Sejahtera (LPIN) was 8.26.

The average Debt to Equity Ratio variable in 2014 was 0.93, in 2015 it increased to 1.18, 2016 it continued to increase to 1.66 and in 2017 it decreased to 0.97 but in 2018 it increased again to 1.07.

Total Asset Turnover

The lowest Total Asset Turnover was found at PT. Prima Alloy Steel Universal (PRAS) in 2016 and 2017 with a value of 0.23. Meanwhile, the company with the highest Total Asset Turnover variable was PT. Happy Perfect (SMSM) with a value of 1.51 in 2014.

The average Total Asset Turn Over variable in 2014 was 0.80, in 2015 it decreased to 0.71 and in 2016 it continued to decrease by 0.01 to 0.70, then in 2017 it increased by 0.03 to 0.73 but in 2018 it decreased again to

0.51.

Earning per Share

The lowest Earning per Share was found at PT Multi Prima Sejahtera (LPIN) in 2016 with a value of -2422.76. Meanwhile, the company with the highest Earning per Share variable was also PT Multi Prima Sejahtera (LPIN) with a value of 1811.11 in 2017.

The average Earning per Share variable in 2014 was 186.52, in 2015 it decreased by 18.75 and in 2016 it decreased again by -66.70 and in 2017 it increased to 216.54 but in 2018 it decreased again to 98.09.

Classical Assumption Test
Data Normality Test
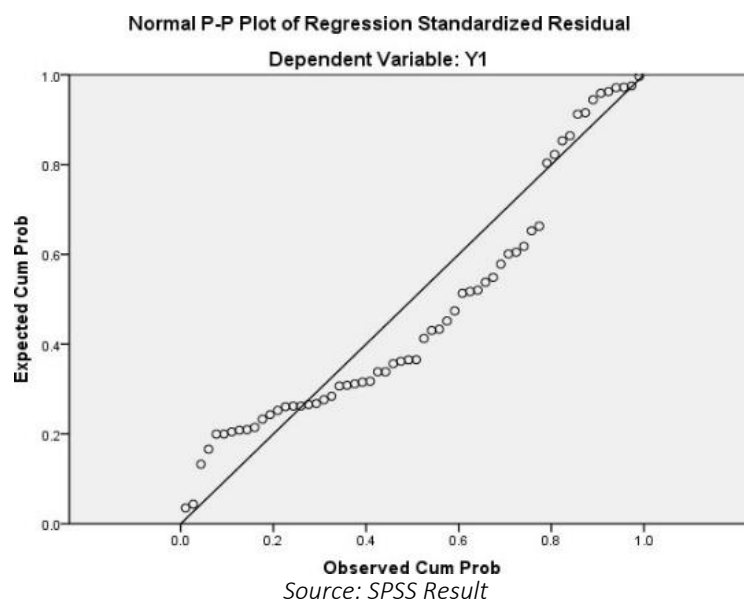

Source: SPSS Result

Figure 4. Normality Test Result (P-Plot)

From Figure 4, it can be seen that the points move away from the diagonal line. To ensure that the data meets the normality, the One Sample Kolmogorov-Smirnov model with the SPSS was used.

If the asymptotic is greater than the alpha, the data is considered normal. Meanwhile, if the asymtotic is less than the alpha, then the data is considered abnormal. The alpha value used in this study was 5%. The results of the normality test with the Kolmogorov-Smirnov Test are as follows:

Table 1. Normality Test Result with Kolmogorov-Smirnov Test

Kolmogorov-Smirnov	Asymp. Sig	Status
1,247	0,089	Terdistribusi Normal.

Source: Processed data (2019)

Based Table 1, it is shown that the Kolmogorov-Smirnov value for the variable Stock Price (Y) is 1.247 with asym sig (2- tailed) of 0.089 > 0.05. This means that the data meets the requirements to be normally distributed so that the study could be continued.

Multicollinearity Test

Table 2. Multicollinearity Test

No.	Variabel	Tolerance	VIF	Hasil
1	*Net Profit Margin*	.377	2.650	Tidak ada Multikolinieritas
2	*Price Book Value*	.979	1.021	Tidak ada Multikolinieritas
3	*Debt to Equity Ratio*	.420	2.380	Tidak ada Multikolinieritas
4	*Total Asset Turn Over*	.834	1.199	Tidak ada Multikolinieritas
5	*Earning Per Share*	.204	4.893	Tidak ada Multikolinieritas

Source: Processed data (2019)

Table 2 shows that all of the independent variables have a Tolerance value of > 0.10 and VIF of < 10, thus it can be concluded that this regression model does not have multicollinearity problems and could be used in the study.

Autocorrelation Test

Table 3. Autocorrelation Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.576[a]	.332	.270	1057.23166	2.780

Source: SPSS Result

From the results of Durbin Watson's calculations in Table 3, because the durbin Watson regression model value (2.780) is between du (1.8082) and 4 - du (1.8082), it could be concluded that this regression model has no autocorrelation and can be used in research.
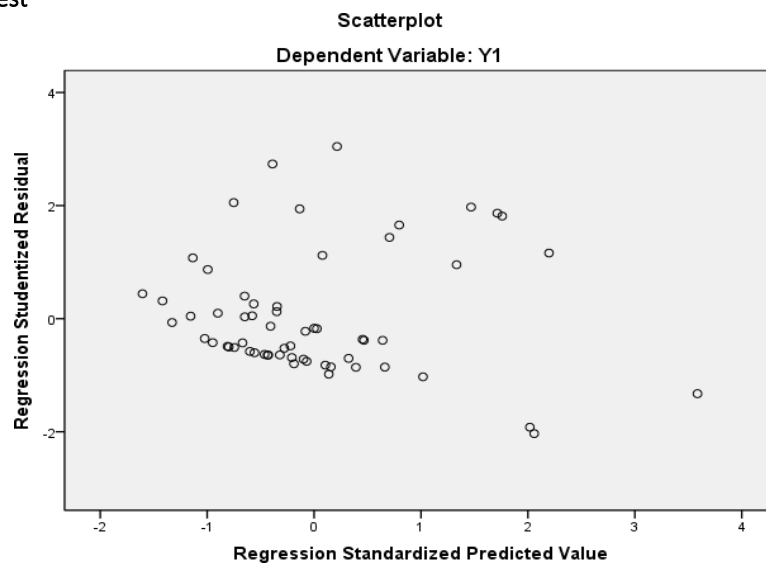
Heteroscedaticity Test

Source: SPSS Result

Figure 5. Heteroscedaticity Test

From Figure 5, it can be seen that the data points spread above or below or around 0. The spread of data points also does not form a wavy, widened, and then narrowed patterns. So it could be concluded that heteroscedasticity does not occur in all of the independent variables in this study model.

F Test (Feasibility Test)

Table 4. F Test (Feasibility Test)

Model	ANOVA[b] Sum of Squares	df	Mean Square	Ftabel	F	Sig.
1	Regression	1.067E8	5	21336071.1762,38	4.861	.001[a]
	Residual	2.370E8	54	4388992.561		
	Total	3.437E8	59			

Source: Processed data (2019)

The obtained F count is greater than F table (4.861 < 2.38) as shown in Table 4. Thus, the test results show that the model is not suitable to be used. Therefore, the results of simultaneous statistical testing are not influential, this can be seen from the table above that the significance value is 0.001 which is greater than the value of α = 0.05, which means that the error to state there is no effect of the independent variables simultaneously on the significant independent variable is 0.089.

Determination Coefficient (R² Test)

Table 5. Determination Coefficient Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.576ᵃ	.332	.270	1057.23166	2.780

Source: Processed data (2019)

From the results of the test that has been carried out in Table 5, the Adjusted R^2 value is 0.247 (2.47%), it means that the independent variables namely the Net Profit Margin, Price Book Value, Debt to Equity Ratio, Total Asset Turnover, and Earning Per Share simultaneously have an influence on the dependent variable, namely the share price of 2.47%, while the rest is 97.53%.

Multiple Linear Regression Analysis

Table 6. Multiple Linear Regression Result

Coefficientsᵃ

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	111.059	605.188		.184	.855		
	X1	-30.552	17.260	-.326	-1.770	.082	.377	2.650
	X2	1313.053	291.311	.515	4.507	.000	.979	1.021
	X3	657.661	350.489	.327	1.876	.066	.420	2.380
	X4	1.342	10.408	.016	.129	.898	.834	1.199
	X5	3.004	1.340	.560	2.241	.029	.204	4.893

a. Dependent Variable: Y1

Based on the results of the linear regression test output above, a linear regression equation can be formed as follows:

$$Y = 111.069 - 30.552 X1 + 1313.053 X2 + 657.661 X3 + 1.342 X4 + 3.004 X5$$

The result of multiple linear regression above indicates: (1) Net Profit Margin has positive effect on Stock Price. It means if Net Profit Margin is raised by 1 unit with the assumption that other factors are constant or 0, Stock Price will increase by -30,552. (2) Price Book Value positively influences Stock Price. It means if Price Book Value increases by 1 unit with the assumption that other factors are constant or 0, Stock Price will rise by 1313,053. (3) Debt to Equity Ratio positively influences Stock Price. It means that if Debt to Equity ratio increments by 1 unit with the assumption that other factors are constant or 0, Stock Price will increase by 657,661. (4) Total Asset Turnover has positive effect on Stock Price. It means if Total Asset Turnover rise by 1 unit with the assumption that other factors are constant or 0, Stock Price will increase by 1,342. (5) Earning per Share has positive influence on Stock Price. It means if Earning per Share increases by 1 unit with the assumption that other factors are constant or 0, Stock Price will increase by 3,004.

Partial Test (t Test)

Table 7. Partial Test Result

NO	Variable	Regression Coefficient	T Score	TTable	Sig	Decision
1	Net Profit Margin (X1)	-0,326	-1770	2,005	0,082	Not significant
2	Price Book Value (X2)	0,515	4507	2,005	0,000	Significant
3	Debt to Equity Ratio(X3)	0,327	1876	2,005	0,066	Not significant
4	Total Asset Turn Over (X4)	0,016	129	2,005	0,898	Not significant
5	Earning Per Share (X5)	0,560	2241	2,005	0,029	Significant

Source: Processed data (2019)

To find the t table value for the data in Table 7, the formula df = n - k - 1 is used with a significance value of 5% or 0.05. Thus, the df value for t table is:

df = n - k - 1 df = 60 - 6 - 1

df = 53

(t table = 2.005)

First Hypothesis Test

H0: X1 = 0, NPM has no effect on stock prices

H1: X1 ≠ 0, NPM has an effect on stock prices

It can be seen from the table above, that the t count for the NPM variable is -1.770 < 2.005, so it can be concluded that the NPM variable has no effect on stock prices.

Second Hypothesis Test

H0: X1 = 0, PBV has no effect on stock prices

H1: X1 ≠ 0, PBV has an effect on stock prices

It can be seen from the table above, that the t count for the PBV variable is 4.507 > 2.005, so it can be concluded that the PBV variable affects the stock prices.

Third Hypothesis Test

H0: X1 = 0, DER has no effect on stock prices

H1: X1 ≠ 0, DER has an effect on stock prices

It can be seen from the table above that the t count for the DER variable is 0.1876 < 2.005, so it can be concluded that the DER variable has no effect on stock prices.

Fourth Hypothesis Test

H0: X1 = 0, TATO has no effect on stock prices

H1: X1 ≠ 0, TATO has an effect on stock prices

It can be seen from the table above, that the t count for the TATO variable is 0.129 < 2.005, so it can be concluded that the TATO variable has no effect on the stock prices.

Fifth Hypothesis Test

H0: X1 = 0, EPS has no effect on stock prices

H1: X1 ≠ 0, EPS has an effect on stock prices

It can be seen from the table above that the t count for the EPS variable is 2.241> 2.005, so it can be concluded that the EPS variable affects the stock prices.

Discussion

The Effect of Net Profit Margin on Stock Prices

Based on the results of the t test calculation of the Net Profit Margin variable (X_1) it is found that NPM does not have a significant positive effect on stock prices. Thus, investors should not pay attention to the Net Profit Margin variable in choosing stocks of the automotive sub-sector industry and its components that are listed on the IDX.

The results of this study are inconsistent with a research conducted by Rescyana Putri Hutami (2012) which shows that Net Profit Margin has a significant effect on stock prices. As well as with the results of a research conducted by Edhi Asmirantho and Elif Yuliawati (2015) which shows that the Net Profit Margin has a significant effect on stock prices.

The Effect of Price Book Value on Stock Prices

Based on the results of the t test calculation of the Price Book Value variable (X_2) it is found that PBV has a significant positive effect on stock prices. Thus, investors are advised to look at the Price Book Value variable in making decisions to buy stocks in the automotive sub-sector industry and its components that are listed on the IDX.

The results of this study are consistent with a research conducted by Putu Dina Aristya Dewi and IGNA Suaryana (2013) which shows that the Price Book Value has a significant effect on Stock Prices. Besides, it also supports the results of a research conducted by Edhi Asmirantho and Elif Yuliawati (2015) which shows that Price Book Value has a significant effect on stock prices.

The Effect of Debt to Equity Ratio on Stock Prices

Based on the results of the t test calculation of the Debt to Equity Ratio variable (X3) it is found that DER does not have a significant positive effect on stock prices. Thus, investors should not pay attention to the Debt to Equity Ratio variable in choosing stocks of the automotive sub-sector industry and its components that are listed on the IDX.

The results of this study are inconsistent with a research conducted by Putu Dina Aristya Dewi and IGNA Suaryana (2013) and Daniarto Raharjo and Dul Muid (2013) which show that the Debt to Equity Ratio has a significant effect on stock prices.

The Effect of Total Asset Turnover on Stock Prices

Based on the results of the t test calculation of Total Asset Turnover variable (X4) it is found that TATO has no significant positive effect on stock prices. Thus, investors should not pay attention to the Total Asset Turnover variable in choosing stocks of the automotive sub-sector industry and its components that are listed on the IDX.

The results of this study are are inconsistent with a research conducted by Albertha W. Hutapea, Ivonne S. Saerang and Joy E. Tulung (2017) which show that Total Asset Turnover has a significant effect on stock prices. The difference in research results is indicated by differences in the year of the study and the object under study by each researcher.

The Effect of Earning per Share on Stock Prices

Based on the results of the t test calculation of Earning per Share variable (X5) it is found that EPS has a significant positive effect on stock prices. Thus, investors are advised to look at the Earning per Share variable in making decisions to buy stocks in the automotive sub-sector industry and its components that are listed on the IDX.

The results of this study are consistent with a research conducted by Putu Dina Aristya Dewi and IGNA Suaryana (2013) which shows that Earning per Share has a significant effect on stock prices.

4.0 CONCLUSION

Based on the results as well as discussion and description in this study, the following conclusion can be drawn: (1) Net Profit Margin does not have a significant effect on the stock prices of automotive sub-sector companies and its components listed on the Indonesia Stock Exchange in 2014-2018 periods. (2) Price to Book Value has a significant effect on stock prices of automotive sub-sector companies and its components listed on the Indonesia Stock Exchange in 2014-2018 periods. (3) Debt to Equity Ratio has no significant effect on stock prices of automotive sub-sector companies and its components listed on the Indonesia Stock Exchange in 2014-2018 periods. (4) Total Asset Turnover does not have a significant effect on the stock prices of automotive sub-sector companies and its components listed on the Indonesia Stock Exchange in 2014-2018 periods. (5) Earning per Share has a significant effect on stock prices of automotive sub-sector companies and its components listed on the Indonesia Stock Exchange in 2014-2018 periods.

Suggestions that can be used as input and criticism from the researchers to practitioners and academics, namely: (1) For practitioners, when investors make decisions to invest in companies engaged in the Automotive and Component Sector, they should pay attention to ratios other than Net Profit Margin, Debt to Equity Ratio and Total Asset Turnover because these ratios have no effect on stock prices. (2) For further researchers, from the results of the discussion previously described, it can be concluded that the results of this study are still different from the results of previous studies. Therefore, the researchers expect the next researchers to reexamine the five variables with a higher year period and other research objects such as with companies/industries in different sectors.

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