IKATAN AKUNTAN INDONESIA – KOMPARTEMEN AKUNTAN PENDIDIK WILAYAH SUMATERA UTARA
FORUM DOSEN AKUNTANSI PERGURUAN TINGGI (FDA-PT)

SIMPOSIUM ILMIAH AKUNTANSI 5

THE INFLUENCE OF PROFITABILITY, LIQUIDITY AND COMPANY GROWTH ON STOCK PRICES IN CONSTRUCTION SERVICES COMPANIES LISTED ON THE INDONESIAN STOCK EXCHANGE PERIOD 2019-2022

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ARTICLE INFO

Article history:
Received:
Revised:
Accepted:

Keywords:
Price Earning Ratio (PER), Current Ratio (CR), Assets Growt Ratio (AGR), Closing Price, Stock Price

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ABSTRACT

The aim of this research is to determine and analyze the effects of profitability, liquidity and company growth on stock prices. The location of this research is a Construction Services Company listed on the Indonesia Stock Exchange. The profitability variable is measured by the price earnings ratio, the liquidity variable is determined by the current ratio and the company growth variable is measured by the rationality of asset growth. Meanwhile, share prices are measured by closing prices. The companies met the sampling criteria, namely 16 companies, the period taken was from 2019 to 2022, namely 4 years. Thus, there are many samples, namely 64 company financial reports. The analytical method used is panel data regression analysis. The results show that the price partial return ratio (PER) has a positive and significant effect on stock prices. The current ratio (CR) has a positive but insignificant effect on stock prices. Asset Growth Ratio (AGR) has a positive and significant effect on share prices. Meanwhile, simultaneously the partial price profit ratio (PER), Current ratio (CR) and asset growth ratio (AGR) have a positive and significant effect on stock prices. The contribution of influence of all these variables is 55.32%.

INTRODUCTION

Pasar The capital market has an important role in a country's economy because the capital market carries out two functions, namely as a means for business funding or as a means for companies to obtain funds from the capital or investor community. Funds obtained from the capital market can be used for business development, expansion, additional working capital and so on. The capital market is a means for people to invest in financial instruments such as shares, bonds, mutual funds, etc. Fluctuations in capital market share prices make the stock exchange attractive for several groups of investors (investors). On the other hand, increases and decreases in share prices can occur due to fundamental, psychological or external factors. There are several macro factors that influence stock investment activities on the Indonesian Stock Exchange, including the inflation rate, interest rates, foreign exchange rates, and others.

Shares are proof of a person or entity's ownership of a company. Shares can be said to be a financial instrument whose movements fluctuate actively, whether movements are due to market conditions, the company's financial performance, or the political situation at home and abroad. Therefore, it is important for an investor to consider investment decisions regarding a stock. Investment decisions begin with an analysis process carried out to see what phenomena cause price movements in a share. The higher the share price of a company, the higher the value of the company. According to (Daulay et al., 2019), maximizing company value is very important for a company, because maximizing company

value also means maximizing shareholder welfare, which is the company's main goal. If a company has high value, investors will look at it and invest their capital in that company (Abimantrana, 2013).

According to (Budiman, 2018), an investor must be able to understand financial reports because financial reports are the business language of a company. By understanding financial reports, investors can find out how a company's financial performance is. The better the company's performance, the greater the impact on the increase in share prices. Financial report analysis aims to determine company performance. Share price growth cannot be separated from the growth of a company's performance. Financial report analysis includes calculations using financial ratios. Profitability is one of the financial ratios used to measure the level of a company's ability to earn profits. Profitability is a measuring tool used by management in managing assets and equity to produce the maximum possible profit (Budiman, 2018).

The higher the company's level of profitability, the higher the net profit the company will generate. In this research, the ratio used to see the level of company profitability is the Price Earnings ratio (PER). The second financial ratio is the liquidity ratio. Liquidity is a ratio used to show a company's ability to pay off its short-term debt. This ratio is used to see how liquid a company is. If the liquidity value is high, it means the company is able to pay off its short-term debt. Liquidity can be measured using the current ratio (CR) (Octaviani & Komalasari, 2017). Current ratio shows the company's ability to pay off current debts using the company's current assets.

Share prices are also influenced by company growth. Investors respond positively to information about company growth, which will increase share prices. Growth (growth) is how far a company places itself in the overall economic system or the economic system for the same industry. In general, companies that grow quickly obtain positive results in the sense of strengthening their position in an era of competition, enjoying significantly increased sales and accompanied by an increase in market share. Companies that grow quickly also enjoy the benefits of the positive image they obtain, however, companies must be extra careful, because the success they gain makes the company vulnerable to negative issues.

There are various companies that issue shares on the Indonesian stock exchange, one of which is the Construction Services Sub Sector company. Construction and Building Sector Companies are included in the Service Sector Company group on the Indonesia Stock Exchange (BEI). In its development, the Construction Sector cannot be denied as having a strategic role in development. This strategic role includes employment absorption, wide supply chain coverage, encouragement of supporting sectors, and even mobilization of national product growth, both goods and services. This strategic role makes the construction sector referred to as an economic driver or "engine of growth" in the national economy. This can be seen from the construction sector's support for the issue of food security and smooth production processes, increasing accessibility and mobility space for the community towards social and economic activities.

LITERATURE REVIEW

Agency Theory

According to (Supriyono, 2018) The concept of agency theory (Agency Theory) namely the contractual relationship between the principal and agent. This relationship is carried out for a service where the principal gives authority to the agent regarding making the best decisions for the principal by prioritizing the interests of optimizing company profits so as to minimize burdens including tax burdens by avoiding taxes. Agency theory according to (Ramadona, 2016) is a theory related to agreements. between members of the company. This theory explains the monitoring of various types of costs and enforces relationships between these groups.

Stock Price

Shares can be defined as a sign of participation or ownership of a person or entity in a company or limited liability company. The form of shares is a piece of paper explains that the owner of the paper is the owner of the company that issued the letter. According to (Fahmi, 2012) states that shares are one of the capital market instruments most sought after by investors, because they are able to provide an attractive rate of return. Meanwhile, according to (Darmadji & Faksruddin, 2012) shares are a sign of participation or ownership of a person or entity in a company or limited liability company. Shares are in the form of a piece of paper which states that the owner of the paper is the owner of the company that issued the securities.

The market value of a security is the market price of the security itself. The share price is defined as the price on the real market and is the easiest price to determine because it is the price of a share on the current market or if the market is closed, then the market price is the closing price (Azis et al., 2015). In management theory, it is explained that the goals and objectives used as standards in assessing whether a financial decision is efficient or not can be seen from the value of the company. stock prices in the study used closing stock prices (Closing price).

Profitability Ratio

Profitability Ratios can provide information about the company's financial performance. This profitability ratio is a calculation that aims to determine the level of profit obtained by the company based on the components in the company. In general, every company aims to gain profit or profit. Company management is required to be able to achieve the planned targets. According to (Sartono, 2010) the definition of profitability ratio is the company's ability to earn profits in relation to sales, total assets and own capital. The liquidity ratio used in this research is the price earnings ratio. Price Earning Ratio (PER) is the ratio or comparison between share prices and company earnings. Investors will calculate how many times (multiplier) the earnings value is reflected in the price of a share. The formula for calculating the PER of a share is to divide the company's share price by earnings per share. Mathematically, the formula for calculating PER is as follows :

$$Price\ Earning\ Ratio = \frac{Share\ Prices}{Earning\ Per\ Share\ Prices}$$

Liquidity Ratio

Liquidity Ratios are ratios that describe a company's ability to settle its short-term obligations. In other words, the liquidity ratio is a ratio that can be used to measure the extent of a company's ability to pay off its short-term obligations which will soon mature (Hery, 2015). The liquidity ratio used in this research is the current ratio. Current Ratio is a ratio to describe the company's ability to pay its current debts that are due with the current assets it owns. In other words, the current ratio compares the company's total current assets with its total current liabilities (Hery, 2015). The formula for finding the current ratio is as follows :

$$Current\ Ratio = \frac{Current\ Asset}{Current\ Liabilities}\ x\ 100\%$$

Company Growth

Company growth is a reflection of a company. The growth that occurs in a company will have a positive impact on several parties, both internal and external. According to (Gunawan, 2013) Company growth is an increase in assets or company size. Meanwhile, according to (Prasetyo, 2011) reveals that growth variables can be seen in terms of sales, assets and company net profit. Even though it can be seen from various sides, all three use the same basic principle where growth is understood as an increase in value in a period relative to the previous period. A company that is growing will be reflected in the company's sales growth rate or income which continues to increase.

Company growth reflects the growth of resources in the form of assets owned by the company and is measured by the difference in total asset value each year. Company growth

(growth) is the increase or decrease in total assets owned by the company. According to (Prasetyo, 2011) company growth can be calculated using the following formula :

$$Assets\ Growth\ Ratio = \frac{Total\ Assets\ t - Total\ Assets\ t-1}{MTotal\ Assets\ t-1}$$

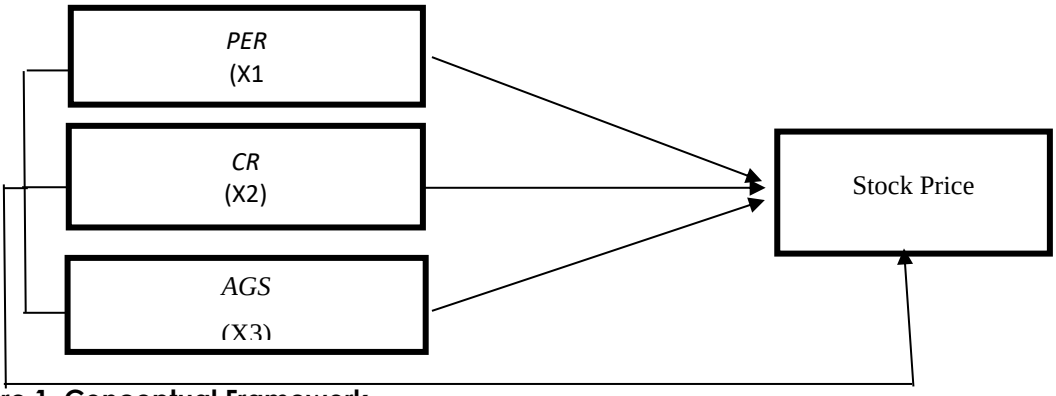

Figure 1. Conceptual Framework

RESEARCH METHODS

Research Approach

Research methods are a way to understand a research object by guiding researchers in the sequence of how research is carried out which includes the techniques and procedures used in research. This research is a type of associative research. Associative is research that aims to determine some speculation regarding whether or not there is a relevant relationship between two or more research variables (Sugiyono, 2018). The methodology used in this research is quantitative methods. According to (Sugiyono, 2018) quantitative methods are methods based on the philosophy of positivism aimed at describing and testing hypotheses made by researchers.

Population and Sample

Population is a generalized area consisting of objects or subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions, so population is not just people, but includes all characteristics or subjects that studied, but includes all the characteristics or traits possessed by the subject (Sugiyono, 2016). The population in this study specializes in construction services companies listed on the Indonesian Stock Exchange, totaling 17 companies.

The sample is a portion of the population whose characteristics will be investigated and is considered to represent the entire population or a smaller number of the population (Sugiyono, 2016). Determining the sample in this research using the methodpurposive sampling, namely a sample used to estimate population characteristics based on certain criteria. The population in this study were 17 construction services companies that had entered andlistsshares during the 2019-2022 observation period. The companies met the sampling criteria, namely a total population of 16 companies, the period taken was from 2019 to 2022, namely 4 years. Thus, the number of N in this study is 16 x 4 = 64. The companies used as samples can be seen in the table, as follows :

Table 1. Research Sample

No.	Code Share	Company Name
1.	ACST	PT Acset Indonusa, Tbk
2.	ADHI	PT Adhi Karya (Persero), Tbk
3.	CSIS	PT Cahayasakti Investindo Sukses, Tbk
4.	DGIK	PT Nusa Konstruksi Enjiniring, Tbk
5.	IDPR	PT Indonesia Pondasi Raya, Tbk

No.	Code Share	Company Name
6.	MTRA	PT Mitra Pemuda, Tbk
7.	NRCA	PT Nusa Raya Cipta, Tbk
8.	PBSA	PT Paramita Bangun Sarana, Tbk
9.	PTPP	PT PP (Persero), Tbk
10.	SKRN	PT Superkrane Mitra Utama, Tbk
11.	SSIA	PT Surya Semesta Internusa, Tbk
12.	TOPS	PT Totalindo Eka Persada, Tbk
13.	TOTL	PT Total Bangun Persada, Tbk
14.	WEGE	PT Wijaya Karya Bangunan Gedung, Tbk
15.	WIKA	PT Wijaya Karya (Persero), Tbk
16.	WKST	PT Waskita Karya (Persero), Tbk

Source: www.idx.co.id (Data processed), 2023

Analysis Technique

The analytical method used in this research is to carry out quantitative analysis expressed in numbers which are calculated using statistical methods assisted by the E-Views v statistical data management program. 13 (Ghozali, 2013). The data analysis techniques used to analyze the data collected in this research are as follows :

1. Descriptive Statistical Analysis

Descriptive statistics are generally used to provide information about variables, research variables contained in a study. The descriptive analysis method is an analysis method where data is collected, classified, analyzed and the results are interpreted so as to provide information and an overview of the topic to be discussed. Descriptive statistics provide an overview of the phenomenon or characteristics of the research.

2. Selection of Panel Data Models

Panel data is data that is collected randomly cross section and followed over a certain period of time. Panel data is a combination of data cross section And time series, the number of observations becomes very large. Therefore, the method used to estimate the panel data regression model (least squares pooled data), there are three models to choose from, namely Common Effect Models(CEM), Fixed Effect Models(FEM) and Random Effect Models(BRAKE).

3. Chow Test

To find out the model Pooled Least Square (PLS) or Fixed Effect Models (FEM) which will be selected for data estimation can be done using the F-test or Chow test. Pooled Least Square (PLS) isrestricted model where he applies the same intercept to all individuals.

As is known, it is sometimes assumed that each unit cross – sections having the same behavior tends to be unrealistic considering that it is possible for each unit cross – sections have different behavior. That's what it's used for Chow test. This test follows the F-Statistics distribution. If value Chow test (F-Statistics) test results are greater than F-table, then there is sufficient evidence to reject the null hypothesis so the model that will be used is fixed effect models, vice versa.

4. Hausman Test

This test is carried out to determine whether fixed effect models or random effects models The selected. The basis for H's rejection 0 is to use Chi-Square statistical considerations. If Chi-Square statistic > Chi-Square Table then H0 rejected, meaning that the model used is Fixed Effect Models (FEM), and vice versa.

5. Panel Data Regression Analysis

Testing the hypothesis in this research uses the panel data regression analysis method. This analysis test is used to find out how the independent variable affects the dependent variable. The regression equation used is as follows :

$Y = a + \beta_{1it}X_{1it} + \beta_{2it}X_{2it} + \beta_{3it}X_{3it} + \varepsilon$

Information:

Y = Share Price as measured by Closing Price
a = Constant
β_1 = Regression coefficient Price Earning Ratio
β_2 = Regression coefficient Current Ratio
β_3 = Regression coefficient Assets Growth Ratio
X_1 = *Price Earning Ratio*
X_2 = *Current Ratio*
X_3 = *Assets Growth Ratio*
i = Individual i
t = Period t

6. Hypothesis Testing

This hypothesis testing is carried out to determine the influence of the independent variable on the dependent variable, either testing the regression coefficients together (F-Test) or testing the regression coefficients individually (t-Test). Next, a coefficient of determination test (R2 Test) will be carried out to determine the level of accuracy of the estimates in the regression analysis.

RESEARCH RESULTS AND DISCUSSION

Research Results

1. Descriptive Statistical Analysis

Table 2. Descriptive Statistical Analysis

	CLOSING_PRICE	PER	CR	AGR
Mean	322.0625	2.625625	3.135781	2.588438
Median	253.0000	2.370000	2.820000	1.025000
Maximum	855.0000	9.630000	7.930000	9.990000
Minimum	129.0000	1.020000	1.070000	0.140000
Std. Dev.	161.1365	1.478594	1.739546	2.895722
Skewness	1.566546	2.767273	0.853185	1.223435
Kurtosis	4.710917	11.83104	2.974418	3.066902
Jarque-Bera	33.98267	289.6494	7.766279	15.97772
Probability	0.000000	0.000000	0.020586	0.000339
Sum	20612.00	168.0400	200.6900	165.6600
Sum Sq. Dev.	1635794.	137.7332	190.6394	528.2680
Observations	64	64	64	64

Source: Eviews v. Output Results. 13 (Data Processed by Author, 2023)

Based on the table above, the mean value of the closing price variable is 322.0625, the median value is 253,000, the maximum value is 855,000, the minimum value is 129,000 and the std value. deviation of 161.1365. The mean value of the PER variable is 2.625625, the median value is 2.370000, the maximum value is 9.630000, the minimum value is 1.020000 and the std value. deviation of 1.478594. The mean value for the CR variable is 3.135781, the median value is 2.820000, the maximum value is 7.930000, the minimum value is 1.070000 and the std value. deviation of 1.739546. The mean value of the assets growth ratio variable is 2.588438, the median value is 1.025000, maximum value of 9.990000, minimum value of 0.140000 and std value. deviation of 2.895722.

2. Panel Data Model Estimation

In panel data regression model analysis, tests must be carried out to select the appropriate regression model to use. There are 3 (three) alternative panel data models, namely;common effects models (CEM),fixed effect models(FEM), andrandom effects models(BRAKE). The test results can be seen in the following table :

Table 3. Result *Common Effect Models* (CEM)

Dependent Variable: CLOSING_PRICE
Method: Panel Least Squares
Date: 11/25/23 Time: 06:52
Sample: 2019 2022
Periods included: 4
Cross-sections included: 16
Total panel (balanced) observations: 64

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	294.8421	66.89361	4.407627	0.0000
PER	11.07488	14.39375	0.769423	0.4447
CR	3.799677	12.46114	0.304922	0.7615
AGR	-5.320972	7.391715	-0.719856	0.4744
R-squared	0.018104	Mean dependent var		322.0625
Adjusted R-squared	-0.030991	S.D. dependent var		161.1365
S.E. of regression	163.6144	Akaike info criterion		13.09336
Sum squared resid	1606179.	Schwarz criterion		13.22829
Log likelihood	-414.9876	Hannan-Quinn criter.		13.14652
F-statistic	0.368755	Durbin-Watson stat		0.945298
Prob(F-statistic)	0.775807			

Source: Eviews v. Output Results. 13 (Data Processed by Author, 2023)

Based on Table 3, in this estimation approach, the regression results in the modelcommon effects models(CEM) it was found that the coefficient value on PER was 11.07488, CR was 3.799677 and assets growth ratioof negative negative 5.320972, with an R-squared of 0.018104.

Table 4. Result *Fixed Effect Models* (FEM)

Dependent Variable: CLOSING_PRICE
Method: Panel Least Squares
Date: 11/25/23 Time: 08:16
Sample: 2019 2022
Periods included: 4
Cross-sections included: 16
Total panel (balanced) observations: 64

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	331.0617	64.76800	5.111502	0.0000
PER	4.444450	15.56398	0.592807	0.0265
CR	2.243334	13.84907	0.217570	0.0861
AGR	4.647117	7.718361	0.602086	0.0105
	Effects Specification			
Cross-section fixed (dummy variables)				
R-squared	0.553179	Mean dependent var		322.0625
Adjusted R-squared	0.374451	S.D. dependent var		161.1365

S.E. of regression	127.4456	Akaike info criterion	12.77479
Sum squared resid	730906.8	Schwarz criterion	13.41570
Log likelihood	-389.7931	Hannan-Quinn criter.	13.02728
F-statistic	3.095083	Durbin-Watson stat	2.058260
Prob(F-statistic)	0.001084		

Source: Eviews v. Output Results. 13 (Data Processed by Author, 2023)

Based on Table 4, in this estimation approach, the regression results in the model fixed effect models (FEM) found that the coefficient value for PER was 4.444450, CR was 2.243334 and assets growth ratio was 4.647117, with an R-squared of 0.553179.

Table 5. Result *Random Effect Models* (REM)

Dependent Variable: CLOSING_PRICE
Method: Panel EGLS (Cross-section random effects)
Date: 11/25/23 Time: 07:46
Sample: 2019 2022
Periods included: 4
Cross-sections included: 16
Total panel (balanced) observations: 64
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	319.4617	67.63814	4.723101	0.0000
PER	4.685294	13.99250	0.334843	0.7389
CR	0.873894	12.31832	0.070943	0.9437
AGR	-4.806531	7.062218	-0.680598	0.4987
	Effects Specification			
			S.D.	Rho
Cross-section random			117.1248	0.4579
Idiosyncratic random			127.4456	0.5421
	Weighted Statistics			
R-squared	0.010010	Mean dependent var		153.9160
Adjusted R-squared	-0.039489	S.D. dependent var		122.2977
S.E. of regression	124.6890	Sum squared resid		932841.0
F-statistic	0.202234	Durbin-Watson stat		1.612234
Prob(F-statistic)	0.894450			
	Unweighted Statistics			
R-squared	0.014442	Mean dependent var		322.0625
Sum squared resid	1612170.	Durbin-Watson stat		0.932879

Source: Eviews v. Output Results. 13 (Data Processed by Author, 2023)

Based on Table 5, in this estimation approach, the regression results on random effects models (REM) it was found that the coefficient value on PER was 4.685294, CR was 0.873894 and assets growth ratiois negative 4.806531, with an R-squared of 0.010010.

3. Chow Test

In this research, to determine whether the estimation model is a common effect model (CEM or fixed effect model (FEM) in forming a regression model, the Chow test is used. The results of the Chow test can be seen in the table, as follows:

Table 6. Chow Test Result

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	3.592548	(15,45)	0.0004
Cross-section Chi-square	50.388968	15	0.0000

Source: Eviews v. Output Results. 13 (Data Processed by Author, 2023)

Based on Table 6, the results of the Chow Test show that the probability value is 0.004. The resulting probability value is 0.004 < 0.05, so the estimation model used is the model fixed effect models (FEM).

4. Hausman Test

Table 7. Hausman Test Result

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

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	0.432555	3	0.0334

Source: Eviews v. Output Results. 13 (Data Processed by Author, 2023)

Based on Table 7, the results of the Hausman Test show that the probability value is 0.0334. Because the probability value is 0.0334 < 0.05, the estimation model used is a model fixed effect models (FEM).

5. Panel Data Regression Analysis

Linear regression analysis of panel data in this study uses the method fixed effect models (FEM). Method selection fixed effect models (FEM) as a panel data analysis method in this research was previously tested using the Chow Test and Hausman Test first, so the method was chosen fixed effect models (FEM) is the most appropriate for testing panel data in this research.

Table 8. Results of Multiple Linear Regression Analysis

Dependent Variable: CLOSING_PRICE
Method: Panel Least Squares
Date: 11/25/23 Time: 08:16
Sample: 2019 2022
Periods included: 4
Cross-sections included: 16
Total panel (balanced) observations: 64

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	331.0617	64.76800	5.111502	0.0000
PER	4.444450	15.56398	0.592807	0.0265
CR	2.243334	13.84907	0.217570	0.0861
AGR	4.647117	7.718361	0.602086	0.0105
	Effects Specification			
Cross-section fixed (dummy variables)				

R-squared	0.553179	Mean dependent var	322.0625
Adjusted R-squared	0.374451	S.D. dependent var	161.1365
S.E. of regression	127.4456	Akaike info criterion	12.77479
Sum squared resid	730906.8	Schwarz criterion	13.41570
Log likelihood	-389.7931	Hannan-Quinn criter.	13.02728
F-statistic	3.095083	Durbin-Watson stat	2.058260
Prob(F-statistic)	0.001084		

Source: Eviews v. Output Results. 13 (Data Processed by Author, 2023)

Based on the table above, the regression equation can be obtained, as follows :

Closing Price = 331.0617 + 4.444450 (PER) + 2.243334 (CR) + 4.647117 (AGR) + e

The constant is 331.0617, meaning that if the price earning ratio (PER), current ratio (CR) and assets growth ratio (AGR) are 0, then the share price as measured by the closing price is 331.0617. The regression coefficient for the price earning ratio (PER) variable is 4.444450, meaning that for every increase in the price earning ratio (PER) by 1 unit, the share price will increase by 4.444450 units, assuming the other independent variables have constant values. The regression coefficient for the current ratio (CR) variable is 2.243334, meaning that for every increase in the current ratio (CR) by 1 unit, the share price will increase by 2.243334 units, assuming the value of the other independent variables remains constant. The regression coefficient for the assets growth ratio (AGR) variable is 4.647117, meaning that for every increase in the assets growth ratio (AGR) of 1 unit, the share price will increase by 4.647117 units, assuming the other independent variables have constant values.

6. Hypothesis Testing

In hypothesis testing, partial influence analysis, simultaneous influence analysis and coefficient of determination analysis (R2), with the following results:

Table 9. Hypothesis Testing Result

Dependent Variable: CLOSING_PRICE
Method: Panel Least Squares
Date: 11/25/23 Time: 08:16
Sample: 2019 2022
Periods included: 4
Cross-sections included: 16
Total panel (balanced) observations: 64

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	331.0617	64.76800	5.111502	0.0000
PER	4.444450	15.56398	0.592807	0.0265
CR	2.243334	13.84907	0.217570	0.0861
AGR	4.647117	7.718361	0.602086	0.0105

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.553179	Mean dependent var	322.0625
Adjusted R-squared	0.374451	S.D. dependent var	161.1365
S.E. of regression	127.4456	Akaike info criterion	12.77479
Sum squared resid	730906.8	Schwarz criterion	13.41570
Log likelihood	-389.7931	Hannan-Quinn criter.	13.02728
F-statistic	3.095083	Durbin-Watson stat	2.058260
Prob(F-statistic)	0.001084		

Source: Eviews v. Output Results. 13 (Data Processed by Author,2023)

a. Partial Effect Test

Based on Table 9, the value is known price earnings ratio (PER) has a positive and significant effect on the share prices of Construction Services Companies Listed on the Indonesia Stock Exchange, with a regression coefficient value of 4.444450, probability value (Prob) = 0.0265<0.05. Known value current ratio (CR) has a positive but not significant effect on the share prices of Construction Services Companies Listed on the Indonesia Stock Exchange, with regression coefficient values of 02.243334 and significant, with a probability value (Prob) = 0.0861>0.05. Known value assets growth ratio (AGR) has a positive and significant effect on the share prices of Construction Services Companies Listed on the Indonesia Stock Exchange, with a regression coefficient value of 4.647117, probability value (Prob) = 0.0105<0.05.

b. Simultaneous Effect Test

The simultaneous influence test aims to test the influence of variable sprice earnings ratio (PER), current ratio (CR) and assets growth ratio (AGR) simultaneously on the share price variable as measured by closing price. Based on Table 8, it is known that the value of Prob. (F-statistics), namely 0.001084 < 0.05, then it can be concluded that price earnings ratio (PER), current ratio (CR) and assets growth ratio (AGR) simultaneously has a positive and significant effect on the share prices of Construction Services Companies Listed on the Indonesian Stock Exchange.

c. Analysis of the Coefficient of Determination (R^2)

Based on Table 9, it is known that the coefficient of determination (R-squared) is 0.553179. These values can be interpreted price earnings ratio (PER), current ratio (CR) and assets growth ratio (AGR) affects the share price of Construction Services Companies Listed on the Indonesian Stock Exchange by 55.32%, the remaining 44.68% is influenced by other factors.

Discussion

1. Influence Price Eraning Ratio (PER) to Share Prices

Price earnings ratio (PER) is a ratio that shows the comparison between the share price per share and net profit per share. The higher the PER, the higher the company's share price. The share prices of construction service companies listed on the Indonesian Stock Exchange are influenced by several factors, one of which is PER. This is because PER is an indicator of company performance which shows the company's ability to generate profits.

The higher the PER, the greater the company's ability to generate profits. This shows that the company has good prospects and has the potential to grow in the future. Therefore, investors will tend to buy shares in the company, so that the share price will rise. Based on research that has been conducted, PER has a positive and significant effect on the share prices of construction service companies listed on the Indonesia Stock Exchange. This means that the higher the PER, the higher the company's share price.

2. Influence Current Ratio (CR) to Share Prices

Current ratio (CR) is a ratio that shows the comparison between current assets and current liabilities. The higher the CR, the better the company's ability to ful fill its current obligations. The share price of construction services companies listed on the Indonesian Stock Exchange is influenced by several factors, one of which is CR. This is because CR is an indicator of company liquidity which shows the company's ability to ful fill its current obligations.

The higher the CR, the better the company's ability to ful fill its current obligations. This shows that the company has a healthy financial condition and has the ability to survive difficult economic conditions. Therefore, investors will tend to buy shares in the company, so that the share price will rise. Based on research that has been conducted, CR has a positive but not significant effect on the share prices of construction service companies listed on the Indonesia

Stock Exchange. This means that the higher the CR, the higher the company's share price, but the effect is not too big.

3. Influence Assets Growt Ratio (AGR) to Share Prices

Assets growth ratio (AGR) is a ratio that shows the growth of company assets from period to period. The higher the AGR, the higher the growth of the company's assets. The share price of construction services companies listed on the Indonesia Stock Exchange is influenced by several factors, one of which is AGR. This is because AGR is an indicator of company growth which shows the company's ability to increase value his assets.

The higher the AGR, the greater the company's ability to increase value his assets. This shows that the company has good prospects and has the potential to grow in the future. Therefore, investors will tend to buy shares in the company, so that the share price will rise. Based on research that has been conducted, AGR has a positive and significant effect on the share prices of construction service companies listed on the Indonesia Stock Exchange. This means that the higher the AGR, the higher the company's share price.

4. Influence Price Earning Ratio (PER), Current Ratio (CR) and Assets Growt Ratio (AGR) to Share Prices

Price earning ratio (PER), current ratio (CR), and assets growth ratio (AGR) are three financial indicators that can be used to assess company performance. PER shows the company's ability to generate profits. CR shows the company's ability to ful fill its current obligations. AGR shows the growth of company assets.

Based on research that has been conducted, PER, CR, and AGR simultaneously have a positive and significant effect on the share prices of construction service companies listed on the Indonesia Stock Exchange. This means that these three financial indicators together can influence the share price of construction services companies.

CONCLUSION

1. Consider PER, CR, and AGR when choosing construction service company shares

PER, CR, and AGR are important financial indicators for assessing the performance of construction service companies. Therefore, investors should consider these three financial indicators when choosing shares in construction services companies.

2. Carry out fundamental analysis before buying shares in a construction services company

Fundamental analysis is a method for assessing a company's overall financial performance. Fundamental analysis can help investors make more informed investment decisions.

3. Diversify your investment portfolio

Investment portfolio diversification is a strategy to reduce risk by invest funds in various types of assets. Diversifying an investment portfolio can help investors to protect themselves from losses if the share value of one company falls.

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