JESYA
JURNAL EKONOMI & EKONOMI SYARIAH
Jurnal Ekonomi & Ekonomi Syariah Vol 7 No 2, Juli 2024
E-ISSN : 2599-3410 | P-ISSN : 2614-3259
DOI : https://doi.org/10.36778/jesya.v7i2.1629

Impact financial ratios and Stock prices in pharmaceutical subsector companies

Andhika Ligar Hardika
Universitas Widyatama
andhika.ligar@widyatama.ac.id

Suji Abdullah Saleh
Universitas Widyatama
suji.abdullah@widyatama.ac.id

Lilis Maryanti
Universitas Widyatama
maryanti.lilis@widyatama.ac.id

Abstrak This research aims to explore the impact of the current ratio, debt to equity ratio, and return on assets on stock prices in pharmaceutical subsector companies listed on the Indonesia Stock Exchange during the 2019-2023 period. This type of research is a quantitative method. The population in this study are pharmaceutical companies listed on the Indonesian Stock Exchange. The sample was determined using a purposive sampling method, so that 9 companies were selected using the 2019-2023 annual report. Data analysis was carried out using panel data regression analysis with a significance level of 5%, using Eviews 12 software. The research results show that the Current Ratio has no effect on stock prices. However, the debt to equity ratio and return on assets turned out to have a positive effect on the stock prices of these companies. Furthermore, together, these three variables influence the stock prices of pharmaceutical subsector companies listed on the Indonesian Stock Exchange during the period studied. Companies need to adjust their ability to pay debts by determining the right debt repayment priorities, the need to maintain the right balance between own capital and foreign capital and the company is expected to generate stable profits from its operational activities.

Kata Kunci *Stock Price, CR, DER, ROA*

I. INTRODUCTION

the importance of share prices in assessing the health and performance of a company, when share prices rise, this is often seen as an indicator that the company is doing well, attracting investors' interest in investing further. A rise in share price can also give a company additional access to capital from new stock offerings. Thus, share prices are not only an indicator of a company's financial performance, but can also influence a company's ability to obtain additional funding and investor confidence. Therefore, companies often try to keep their share prices stable or increasing through strong business strategies and transparency in financial reporting.

JESYA
JURNAL EKONOMI & EKONOMI SYARIAH
Jurnal Ekonomi & Ekonomi Syariah Vol 7 No 2, Juli 2024
E-ISSN : 2599-3410 | P-ISSN : 2614-3259
DOI : https://doi.org/10.36778/jesya.v7i2.1629

The phenomenon that occurred in share prices was a decrease in the average share price in 2020 amounting to IDR 929 from 2019, then there was an increase in the average share price in 2021 amounting to IDR. 890 from the previous year, but in 2022 and 2023 the average share price will decrease successively by IDR. 443 and IDR 388 with an average share price of IDR 1,689 in 2022 and IDR 1,301 in 2023. the performance of the stock index for pharmaceutical sub-sector companies in 2020 decreased by 25.3% from the previous year, in 2021 it increased by 13.1% from the previous year, but in 2022 the stock price index for pharmaceutical sub-sector companies again decreased by 9.4% Likewise in 2023, the performance of the stock index will decline by 2.5% from the previous year. In contrast to the average share price which tends to decline, the average profit of pharmaceutical subsector companies experiences fluctuations where in 2019 the average net profit fell by 2.81% in 2020. In 2021 and 2022 the average profit of pharmaceutical subsector companies actually experienced increases of 15.8% and 17% respectively. In 2023 it will again experience a decline of 26.5%. Likewise, the average current debt of pharmaceutical subsector companies tends to increase, where in 2020 the average current debt of pharmaceutical subsector companies increased by 15.5% in 2021, experiencing another increase of 16.17% in 2022, while in 2023 the average current debt of pharmaceutical subsector companies decreased by 15.16%.

Fundamental analysis is often an important basis for assessing a company's financial performance. The focus is on key data contained in the company's financial statements to evaluate whether the stock price is reflected accurately. One of the tools used in fundamental analysis is financial ratios. Financial ratios provide an overview of the financial health of a company and provide an indication of the company's past, current and potential future performance (Darmadji dan Fakhruddin, 2012).

In this research, the financial ratios used as a reference for predicting stock prices are the liquidity ratio, leverage ratio and the profitability ratio. Liquidity, as the main factor influencing stock prices, is the main focus of research. The liquidity ratio is used as a measure of a company's ability to pay short-term obligations or debts that are immediately due when they are collected in full. By using these ratios, research can analyze the correlation between a company's financial performance, especially in terms of liquidity and profitability, and stock price movements. This will help in understanding how these financial factors influence the company's value on the stock market (Husain, 2021). In a company, liquidity is one of the key factors in determining its condition or survival. The better a company's liquidity ratio, the better its cash position, which means the greater its ability to pay obligations. A good liquidity ratio reflects a strong financial condition, and this can have a positive impact on a company's stock price because it shows that the company is in a solvable state (Yuniarti, 2022). However, different research results are shown by research (Meythi et al, 2011; Dewi, 2015; Adipalguna and Suarjaya, 2016; Nurlela, 2017) which shows that liquidity does not have a significant influence on stock prices, which means that stated low liquidity will result in a decline in the company's share price.

Debt to Equity Ratio (DER) can influence the stock price of a company, a high DER ratio can be an indication that the company has a significant level of debt. This means that the company has a larger obligation to pay interest and principal on loans, which can increase the company's financial risk. Investors tend to be more careful about companies with high DER because of the greater risk of default or financial difficulty. When investors perceive the company's risk to be high due to the high DER, this can influence their perception of the company's value. Companies with high DERs may be considered riskier, and as a result, demand for their shares may decrease. As a result, the

JESYA
JURNAL EKONOMI & EKONOMI SYARIAH
Jurnal Ekonomi & Ekonomi Syariah Vol 7 No 2, Juli 2024
E-ISSN : 2599-3410 | P-ISSN : 2614-3259
DOI : https://doi.org/10.36778/jesya.v7i2.1629

company's stock price may experience a decline (Apriani & Yusnita, 2022). Research results (Saputra et al, 2014; Nurlela, 2017) show that the leverage variable has a significant effect on stock prices. Which means that every increase in leverage will result in an increase in share prices. However, different research results shown by research (Dewi, 2015; Ariyanti et al, 2016; Adipalguna and Suarjaya, 2016; Susanti, 2017) show that leverage does not have a significant influence on stock prices. This means that if a company has low leverage, it will have a big impact on the company's share price.

A good level of profitability is an important indicator of a company's credibility in the eyes of investors. When a company is able to generate consistent and sustainable profits, it shows that the company has a strong foundation and is able to manage its operations efficiently (Christine & Winarti, 2022). High profitability also has the potential to increase investor confidence in the company. Hasil penelitian menunjukkan bahwa profitabilitas memiliki pengaruh yang signifikan terhadap harga saham (Nurmalasari, 2010; Saputra et al., 2014; Dewi, 2015; Ariyanti et al., 2016; Nurlela, 2017). Semakin besar tingkat keuntungan yang dicapai perusahaan menunjukkan bahwa manajemen dapat menggunakan total aktiva dengan baik dan pada akhirnya akan meningkatkan harga saham perusahaan. (Meythi et al, 2011; Putri, 2015; Adipalguna dan Suarjaya, 2016; Firmana et al., 2017)menunjukkan bahwa profitabilitas memiliki pengaruh yang tidak signifikan terhadap harga saham yang berarti bahwa jika profitabilitas meningkat maka harga saham perusahaan mengalami penurunan. Hal ini dikarenakan oleh peningkatan profitabilitas perusahaan berdampak pada earning per share meningkat.

II. LITERATURE REVIEW

Signalling Theory

Signal theory in this context discusses how parties outside the company, such as investors, react to information conveyed by the company. This information is generally conveyed through financial reports published by the company periodically for public consumption. The importance of this information is because it must be complete, relevant, easy to understand, and delivered on time so that market players can analyze it well. Investors' responses to positive and negative signals greatly influence market conditions, they will react in various ways in response to these signals, such as hunting for shares to sell or taking action in the form of not reacting such as "wait and see ” or wait and see what developments happen first and then take action (Fahmi, 2015:21)

Stock Price

The stock price is the price of a share that occurs on the stock market at a certain time which is determined by market players and is determined by the demand and supply of the shares concerned in the capital market (Jogiyanto 2015: 167). A fairly high stock price will provide benefits, namely in the form of capital gains and a better image for the company, making it easier for management to obtain funds from outside the company.

Stock Price = Closing Price

Current Ratio

According to Kasmir (2019:134), the Current ratio is a ratio to measure a company's ability to pay short-term obligations or debts that are due immediately when they are collected in full. In other words, how much current assets are available to cover short-term liabilities that are due soon.

JESYA
JURNAL EKONOMI & EKONOMI SYARIAH
Jurnal Ekonomi & Ekonomi Syariah Vol 7 No 2, Juli 2024
E-ISSN : 2599-3410 | P-ISSN : 2614-3259
DOI : https://doi.org/10.36778/jesya.v7i2.1629

$$\text{Current Ratio} = \frac{\text{Current Asset}}{\text{Current Liabilities}}$$

Debt to Equity Ratio

According to Kasmir (2019:159), the Debt equity ratio is the ratio used to assess debt versus equity. In other words, this ratio functions to find out every rupiah of own capital used as collateral for debt.

$$\text{Debt to Equity Ratio} = \frac{\text{Total Liabilities}}{\text{Total Equity}}$$

Return on Assets

According to Kariyoto (2017:114) return on assets is often referred to as economic profitability which is a measure of a company's ability to generate profits with all the assets owned by the company. Return on Assets (ROA) is a ratio that describes the extent to which the company's assets can generate profits (Adnyana, 2020:20)

$$\text{Return on Assets} = \frac{\text{Net Income}}{\text{Total Assets}}$$

1. Current Ratio to Stock prices

The current Ratio indicates the company's ability to meet short-term obligations using current assets. When the Current Ratio is low, this can indicate that the company may face difficulties in meeting its obligations in the short term, which in turn can hamper the company's ability to generate optimal profits (Lestari & Suryantini, 2019). This can affect the market price of a company's shares, because investors tend to be less interested in investing in companies with weak liquidity. A balanced Current Ratio, which shows that the company has sufficient liquidity to fulfill its obligations but also optimizes the use of its assets, can be an attractive factor for investors and has the potential to positively influence stock prices (Wahyuni & Utiyati, 2022).

A Current Ratio that is too high indicates that there is excess cash or other current assets compared to what is currently needed. So, the Current Ratio can show the extent to which current assets guarantee payment of current liabilities and this can influence investors' interest in investing their capital in the company (Basalama et al., 2017). Research conducted by (Lestari & Suryantini, 2019; Wahyuni & Utiyati, 2022) shows that liquidity results have a significant effect on stock prices, on the other hand, research conducted by (Khanifah & Budiyanto, 2018) shows that liquidity results have an insignificant effect on stock prices.

H1: Current Ratio Affects Stock Prices

2. Debt To Equity Ratio to Stock prices

DER is a financial ratio that measures the proportion of a company's debt to its equity, giving an idea of how much of the company's capital comes from debt compared to its own capital or equity (Siregar and Dewi, 2019). investors and financial analysts may assess that a high DER indicates that the company uses more debt to fund its operations than its own capital, while a low DER indicates that the company relies more on its own capital. A good understanding of DER can help investors and analysts evaluate a company's financial risks and make more informed investment decisions (Basalama et al., 2017).

JESYA
JURNAL EKONOMI & EKONOMI SYARIAH
Jurnal Ekonomi & Ekonomi Syariah Vol 7 No 2, Juli 2024
E-ISSN : 2599-3410 | P-ISSN : 2614-3259
DOI : https://doi.org/10.36778/jesya.v7i2.1629

To meet the need for funds for investment, the company will combine permanent funding sources used by the company in a way that can maximize the company's stock price. Companies are able to manage their DER well, by finding the right balance between own capital and debt, this can optimize the company's capital structure (Lingga, 2019). With an optimal capital structure, a company can minimize its capital costs, thereby increasing company value and directly impacting stock prices. When a company's stock price increases, this can provide benefits to shareholders because the value of their investment also increases. Therefore, management in managing DER can help increase the company's stock price by optimizing its capital structure (Lestari & Suryantini, 2019).

In research conducted by Lingga (2019) and Sari (2018) shows that leverage has a significant effect on stock prices, on the other hand, research conducted by Lestari and Suryantini (2019), Sukma and Suhendro (2019) shows that the leverage ratio is proxied by Debt to Equity Ratio does not have a significant effect on stock prices.

H2: Debt To Equity Ratio Affects Stock Prices

3. Return On Assets to Stock prices

The profitability ratio is a ratio to assess a company's ability to make a profit. This ratio also provides a measure of the level of effectiveness of a company's management. This shows that the company is efficient in using its assets to generate profits. As a result, investors tend to view companies with high ROA as attractive investments because of the potential for greater profits (Herawati and Putra, 2018). An increase in ROA can trigger an increase in investors' confidence in the company and increase their interest in investing in the company's shares, thereby having a direct positive impact on the company's stock price (Trisilo, 2019; Khanifah & Budiyanto, 2018).

In research conducted by Trisilo (2019) and Khanifah & Budiyanto (2018) shows that profitability results have a significant effect on stock prices, whereas research conducted by Putri (2018) shows results that partially the profitability variable does not have a significant effect on stock prices.

H3: Return On Assets Affects Stock Prices

III. METODOLOGI PENELITIAN

The type of research used in this research is quantitative with verification methods. This research uses secondary data, namely in the form of financial reports obtained via www.idx.co.id in the observation year 2019-2023. The independent variables in this research are current ratio, debt to equity ratio and return on assets. The dependent variable in this research is stock price. The population in this study are pharmaceutical companies listed on the Indonesian Stock Exchange. The sample was determined using a purposive sampling method, so that 9 companies were selected using the 2019-2023 annual report. Data collection in this research was carried out by means of literature study and documentation study. Data analysis was carried out using panel data regression analysis with a significance level of 5%, using Eviews 12 software.

IV. RESULTS AND DISCUSSION

Chow Test

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

Effects Test	Statistic	d.f.	Prob.

JESYA
JURNAL EKONOMI & EKONOMI SYARIAH
Jurnal Ekonomi & Ekonomi Syariah Vol 7 No 2, Juli 2024
E-ISSN : 2599-3410 | P-ISSN : 2614-3259
DOI : https://doi.org/10.36778/jesya.v7i2.1629

Cross-section F	6.696759	(8,30)	0.0013
Cross-section Chi-square	38.786033	8	0.0000

Source: secondary data processed, 2023

Based on the results of the Chow-Test test carried out, the probability F value is 0.0013 and the Chi-Square value is 0.0000, both of which are smaller than the α significance level which is usually set at 0.05. The conclusion from the Chow-Test test is that the best model to use in panel data regression is the Fixed Effect Model (FEM).

Hausman Test

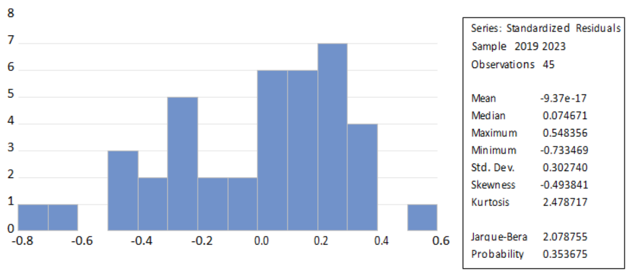
Correlated Random Effects – Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq Statistic	Chi-Sq. d.f.	Prob.
Cross-section Chi-square	0.013250	3	1.0000

Source: secondary data processed, 2023

Based on the results of the Hausman-Test, the probability value for Random Cross-Section is 1.0000. Compared to the significance level α which is usually set at 0.05, the Cross-Section probability value of 1.0000 is greater than α 0.05, so the conclusion is that the best model to use in panel data regression is the Random Effect Model (REM).

Normality test



Source: secondary data processed, 2023

Based on the results of the normality test using Jarque-Bera statistics, a statistical value of 2.078755 was obtained with a probability value of 0.353675. It is known that the probability value of 0.353675 is greater than the significance level of 0.05. Stating that the residual data obtained from the panel data regression model is normally distributed, it can be concluded that in the normality test in this research, the data is normally distributed and the assumption of normality can be assumed to be valid.

Multicollinearity Test

	CR	DER	ROA
CR	1.000000	-0.574266	0.153248
DER	-0.574266	1.000000	0.143230
ROA	0.153248	0.143230	1.000000

Source: secondary data processed, 2023

Based on the correlation value between variables contained in the multicollinearity test results, the correlation value obtained for each relationship is -

JESYA
JURNAL EKONOMI & EKONOMI SYARIAH
Jurnal Ekonomi & Ekonomi Syariah Vol 7 No 2, Juli 2024
E-ISSN : 2599-3410 | P-ISSN : 2614-3259
DOI : https://doi.org/10.36778/jesya.v7i2.1629

0.574266; 0.153248, and 0.143230, it is known that the correlation value for each relationship between variables does not exceed the threshold value which is generally used to assess multicollinearity, namely 0.70. Therefore, it can be concluded that there is no problem of multicollinearity between variables in the research data, thus, the data is considered safe and suitable for use in further analysis.

Heteroscedasticity Test

Dependent Variable: RESABS
Method: Panel Least Squares
Sample: 2019 2023
Periods included: 5
Cross-sections included: 9
Total panel (balanced) observations: 45
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-5278.214	7988.271	-1.713732	0.0949
CR	-4483.224	3238.449	-0.195954	0.8457
DER	169.68712	315.0629	1.796006	0.6328
ROA	0.411906	0.642877	0.007748	0.4439

Source: secondary data processed, 2023

Based on the results of the heteroscedasticity test carried out on the research variables, the probability value (p-value) for each variable was obtained sequentially at 0.8457, 0.6328, and 0.4439. It is known that all of these probability values are greater than the significance level which is generally set at 0.05. Because the probability value for all variables is greater than 0.05, the conclusion is that there is no indication of a heteroscedasticity problem in the research variable data. This means that the research variable data is safe from unequal residual variance.

Autocorrelation Test

Root MSE	833.4712	R-squared	0.233724
Mean dependent var	837.2334	Adjusted R-squared	0.292304
S.D. dependent var	1152.684	S.E. of regression	833.0245
Sum squared resid	17862516	F-statistic	6.521718
Durbin-Watson stat	1.788183	Prob(F-statistic)	0.002183

Source: secondary data processed, 2023

Based on the Durbin-Watson (DW) value of 1.788183, a comparison was made with the DW range criteria which are generally between dL and dU around 1.1624 – 1.6510, and 4-dU and 4-dL values around 2.349 – 2.8376 . It is known that the research DW value of 1.788183 is between the dL/dU and 4-dU/4-dL values, which are not included in the range generally indicated as a symptom of autocorrelation. Thus, the conclusion is that this panel data regression model does not show symptoms of autocorrelation because the DW value does not fall within the range indicated as symptoms of autocorrelation.

Panel Data Regression Analysis

Dependent Variable: HS
Method: Panel EGLS (Cross-section random effects)
Sample: 2019 2023

JESYA
JURNAL EKONOMI & EKONOMI SYARIAH
Jurnal Ekonomi & Ekonomi Syariah Vol 7 No 2, Juli 2024
E-ISSN : 2599-3410 | P-ISSN : 2614-3259
DOI : https://doi.org/10.36778/jesya.v7i2.1629

Periods included: 5
Cross-sections included: 9
Total panel (balanced) observations: 45
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	17.38394	27.01808	16.94439	0.0000
CR	0.146459	0.431139	0.396552	0.3420
DER	0.568731	0.316429	2.791369	0.0016
ROA	3.578233	1.992013	2.176409	0.0326

Effects Specification

	S.D.	Rho
Cross-section random	0.218935	0.5523
Idiosyncratic random	0.197101	0.4477

Weighted Statistics

Root MSE	0.194712	R-squared	0.233724
Mean dependent var	1.172334	Adjusted R-squared	0.292304
S.D. dependent var	0.225268	S.E. of regression	0.202452
Sum squared resid	1.516516	F-statistic	6.521718
Durbin-Watson stat	1.788183	Prob(F-statistic)	0.002183

Source: secondary data processed, 2023

Based on the table, the panel data multiple linear regression equation model is obtained as follows.

$$Y = 17{,}38394 + 0{,}1464X1 + 0{,}5687X2 + 3{,}782X3 + e$$

Analysis of the Coefficient of Determination Test

With an Adjusted R-Squared of 0.2923 or 29.23%, it can be concluded that the independent variables current ratio (X1), Debt to Equity Ratio (X2), and return on assets (X3) in the multiple linear regression equation model are able to explain approximately 29.23% of the variability in pharmaceutical company stock prices (Y). This means that around 70.77% of stock price variability cannot be explained by these three variables and may be influenced by other factors not included in the model.

Simultaneous Test (F Test)

The probability that the F-statistic is smaller than the predetermined significance level (0.007263<0.05) indicates that the overall regression model has a significant influence on the dependent variable, namely stock prices. Thus, together the current ratio, debt to equity ratio and return on assets contribute to stock price movements of pharmaceutical subsector companies listed on the Indonesia Stock Exchange for the 2019-2023 period.

Partial Test (T Test)

Based on the hypothesis test table above, it is known that:

1. Current ratio does not affect stock prices
   Based on the results of partial test calculations, the t-count value was 0.39655 with a probability value of 0.3420. From this information, the probability value is greater than 0.05. Furthermore, tcount is 0.39655 and ttable is 2.0180, so it can be concluded that the comparison result is tcount<ttable, so it can be stated that the hypothesis is

JESYA
JURNAL EKONOMI & EKONOMI SYARIAH
Jurnal Ekonomi & Ekonomi Syariah Vol 7 No 2, Juli 2024
E-ISSN : 2599-3410 | P-ISSN : 2614-3259
DOI : https://doi.org/10.36778/jesya.v7i2.1629

rejected. This states that the current ratio has no influence on stock prices in pharmaceutical companies listed on the Indonesia Stock Exchange during the 2019-2023 period.

2. Debt to equity ratio affects stock prices
   Based on the results of partial test calculations, the tcount value is 2.791369 with a probability value of 0.0016. From this information, the probability value is smaller than 0.05. Furthermore, tcount is 2.791369 and ttable is 2.0180, so it can be concluded that the comparison result is tcount > ttable, so it can be stated that the hypothesis is accepted. This states that the debt to equity ratio has a positive effect on stock prices in pharmaceutical companies listed on the Indonesia Stock Exchange during the 2019-2023 period.
3. Return on assets affects stock prices
   Based on the calculation results of the partial test, the t-count value was 2.176409 with a probability value of 0.0326. From this information, the probability value is smaller than 0.05. Furthermore, the t-count is 2.176409 and the t-table is 2.0180, it can be concluded that the result of this comparison is t-count>t-table, so it can be stated that the hypothesis is accepted. This states that the ROA positive influences stock prices in pharmaceutical companies listed on the Indonesia Stock Exchange during the 2019-2023 period.

DISCUSSION

The research results show that these three variables have an impact on the overall stock price movements of pharmaceutical companies during the 2019-2023 period. Thus, these results provide a more comprehensive understanding of the factors that influence the stock prices of pharmaceutical companies, and their important implications in making investment decisions in the stock market. The researcher's interpretation based on the research results can be explained as follows:

1. The current ratio has no effect on stock prices, in line with research by Basalama et. al., (2017), Herawati and Putra (2018), but does not support the research results of Khanifah and Budiyanto (2018). A very high current ratio can indicate that the company is not using its current assets effectively. Excess current assets should be used for investment or generating additional profits for the company. Apart from that, a high current ratio can also indicate a high amount of debt that the company must pay. This can reduce the availability of funds for distributing dividends to shareholders, because most of the company's profits are used to pay off debt. Research by Lestari and Suryantini (2019) also found that the current ratio had no effect on stock prices. The impact of this high current ratio is reduced investor interest in investing their shares in the company. Investors tend to look for companies that have a healthy financial structure and can provide better returns. Therefore, wise debt management is an important key for companies. Companies need to adjust their debt repayment capabilities by determining appropriate debt repayment priorities, so as to maintain a balance between sufficient liquidity and optimal profits for shareholders.
2. Debt to equity ratio has a positive effect on stock prices in line with research by Khanifah and Budiyanto (2018), Siregar and Dewi (2019), but does not support the results of research by Silvia and Epriyanti (2021), indicating that there is a tendency for a company to use foreign capital in its financial structure. This happens when the company experiences significant profit fluctuations or even experiences a decline in profits, as happened during the COVID-19 pandemic. In

this situation, the company may not have enough internal capital to finance its own operations, and ends up relying on external capital from creditors or investors. Although the use of foreign capital can help a company to maintain the continuity of its operations and increase stock prices by strengthening its financial structure, it should be noted that the use of foreign capital also carries certain risks. Research by Apriani and Yusnita (2022) also found that the Debt to equity ratio has a positive effect on stock prices, it is important for companies to maintain a balance between their own capital and foreign capital, and minimize the risks associated with the use of debt. This is done by considering the company's need to obtain additional capital from investors, while maintaining the credibility and trust of creditors.

3. Return on assets has a positive effect on stock prices in line with research by Khanifah and Budiyanto (2018), Herawati and Putra (2018), but does not support the research results of Apriani and Yusnita (2022), by increasing the effectiveness of asset management, such as using current assets for investments that generate additional profits or increase sales through improving product quality and innovation, companies can increase profits. on assets, the impact of which is increased investor interest in investing their shares in the company. A high rate of return on assets indicates strong financial performance and the company's ability to generate stable profits from its operational activities. As a result, the offering price of company shares tends to increase due to increased demand from interested investors. The research results of Basalama et al., (2017) suggest that high return on assets also provides a positive signal to investors that the company can provide attractive dividends. With high profits, the company has the ability to distribute some of these profits to shareholders as dividends. This not only increases public interest in investing in the company, but also provides additional benefits for shareholders and maintains public confidence in the company's performance and prospects.

V. CONCLUSION

Based on research results regarding the influence of current ratio, debt to equity ratio and return on assets on stock prices in pharmaceutical sub-sector companies listed on the Indonesia Stock Exchange during that period. For the 2019-2023 period, it can be concluded that the Current Ratio has no effect, while the Debt To Equity Ratio and return on assets have a positive influence on stock prices in pharmaceutical subsector companies listed on the Indonesia Stock Exchange. Stock Exchange (BEI) for the 2019-2023 period. Investors who invest in the capital market should use the debt to equity ratio and return on assets as a reference in making investment decisions. For companies, it can further increase the company's effectiveness in managing company assets. Future researchers can add other variables that may influence stock prices as well as research subjects in other sectors to provide a current and broader picture of company stock prices.

ACKNOWLEDGEMENTS

We hereby express our gratitude to the parties who have helped in implementing this Community Service activity, especially Widyatama University and LP2M who have provided internal research funds.

DAFTAR PUSTAKA

Adipalguna, IGN.S, dan Suarjaya A. A. G. (2016). Pengaruh Likuiditas, Solvabilitas,

Jurnal Ekonomi & Ekonomi Syariah Vol 7 No 2, Juli 2024
E-ISSN : 2599-3410 | P-ISSN : 2614-3259
DOI : https://doi.org/10.36778/jesya.v7i2.1629

Aktivitas, Profitabilitas, Dan Penilaian Pasar Terhadap Harga Saham Perusahaan LQ45 Di BEI. *E-Jurnal Manajemen Unud*,5(12): 7639-7668.

Adnyana, I. M. (2020). *Manajemen Investasi dan Portofolio (Melati (ed.)*. Lembaga Penerbitan Universitas Nasional (LPU-UNAS).

Apriani, U., & Yusnita, R. R. (2022). Pengaruh Profitabilitas, Der, Dan Nilai Tukar Terhadap Harga Saham Pada Perusahaan Sub Sektor Farmasi Di Bursa Efek Indonesia. *Journal of Economic Well Being (Joew)*, *1*(September).

Ariyanti, S., Topowijono, dan Sulasmiyati S. (2016). Pengaruh Profitabilitas Dan Leverage Terhadap Harga Saham (Studi Pada Perusahaan Konstruksi Dan BangunanYang Terdaftar Di BEI Periode 2011-2014). *Jurnal Administrasi Bisnis*,35(2): 181-188.

Basalama, I. S., Murni, S., & Sumarauw, J. S. (2017). Pengaruh Current Ratio, DER DAN ROA Terhadap Return Saham Pada Perusahaan Automotif Dan Komponen Periode 2013-2015. *EMBA*, *5*(2), 1793–1803.

Christine, D., & Winarti, W. (2022). Pengaruh Return on Assets (ROA), Return on Equity (ROE), dan Earning per Share (EPS) terhadap harga saham. *Owner*, *6*(4), 4113–4124. https://doi.org/10.33395/owner.v6i4.1096

Darmadji, T dan Fakhruddin, H. M. (2012). *Pasar Modal di Indonesia*. Edisi 3, Salemba Empat. Jakarta.

Dewi, L.K. (2015). Pengaruh Profitabilitas, Leverage Dan Likuiditas Terhadap Harga Saham Pada Perusahaan Industri Makanan Dan Minuman Di Bursa Efek Indonesia. *e-Jurnal Katalogis*, 2(8): 114-125

Fahmi, I. (2015). *Analisis Laporan Keuangan*. Alfabeta. Bandung.

Firmana, I.A., Hidayat R. R., dan Muhammad S. (2017). Pengaruh Struktur Modal Dan Profitabilitas Terhadap Harga Saham (Studi Pada Perusahaan Asuransi Yang Terdaftar Di Bursa Efek Indonesia Tahun 2012-2015). *Jurnal Administrasi Bisnis*, 45(1): 145-154

Ghozali, I. (2018). *Aplikasi Analisis Multivariate dengan Program IBM SPSS 25*. Badan Penerbit Universitas Diponegoro: Semarang

Herawati, A. and Putra, A.S. (2018). The Influence of Fundamental Analysis on Stock Prices: The Case of Food and Beverage Industries. *European Research Studies Journal*, XXI(3): 316-326

Husain, F. (2021). Pengaruh Rasio Likuiditas dan Rasio Profitabilitas terhadap Harga Saham Pada Perusahaan Indeks IDX-30. *INOBIS: Jurnal Inovasi Bisnis Dan Manajemen Indonesia*, *4*(2), 162–175. https://doi.org/10.31842/jurnalinobis.v4i2.175

Jogiyanto, H. M. (2015). *Teori Portofolio dan Analisis Investasi*. Edisi Kesepuluh. BPFE. Yogyakarta.

Kariyoto. (2017). *Analisis Laporan Keuangan (UBPress (ed.)*. Cetakan Pertama). UBMedia.

Kasmir. (2019). *Analisis Laporan Keuangan (Edisi Revi)*. Depok: PT RajaGrafindo Persada.

Khanifah, E. N., & Budiyanto. (2018). Pengaruh Likuiditas, Leverage, Profitabilitas Terhadap Harga Saham Pada Perusahaan Farmasi. *Jurnal Ilmu Dan Riset Manajemen*, *7*(5), 1–20.

Lestari, I. S. D., & Suryantini, N. P. S. (2019). Pengaruh CR, DER, ROA, Dan PER Terhadap Harga Saham Pada Perusahaan Farmasi Di BEI. *E-Jurnal Manajemen Universitas Udayana*, *8*(3), 1844. https://doi.org/10.24843/ejmunud.2019.v08.i03.p24

Jurnal Ekonomi & Ekonomi Syariah Vol 7 No 2, Juli 2024
E-ISSN : 2599-3410 | P-ISSN : 2614-3259
DOI : https://doi.org/10.36778/jesya.v7i2.1629

Lingga, O. (2019). Pengaruh Profitabilitas dan Leverage Terhadap Harga Saham Perusahaan Farmasi di BEI. Skripsi. Universitas Pembangunan Panca Budi. Medan

Meythi., T. K. En, dan L. Rusli. (2011). Pengaruh Likuiditas Dan Profitabilitas Terhadap Harga Saham Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia. *Jurnal Bisnis Manajemen Dan Ekonomi*, 10(2): 2761- 2684.

Nurlela. (2017). Analisis Pengaruh Rasio Likuiditas, Leverage, Dan Profitabilitas Terhadap Harga Saham (Studi Perusahaan Subsektor Farmasi Di BEI Periode 2011-2015). *E- Jurnal Administrasi Bisnis*, 5(2): 466-480.

Nurmalasari, I. (2010). Analisis Pengaruh Rasio Profitabilitas Terhadap Harga Saham Emiten LQ45 Yang Terdaftar Di Bursa Efek Indonesia Tahun 2005-2008. *Jurnal Ekonomi Dan Manajemen*, 7(3): 67-98.

Putri, R. K. A. (2018). Pengaruh Likuiditas, Leverage, Profitabilitas, dan Ukuran Perusahaan Terhadap Harga Saham Pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia Periode 2014-2016. *Journal Simki-Economic*, 2(8): 2599-0748.

Saputra, R.F., Handayani S. R., dan Nuzula N. F. (2014). Pengaruh Profitabilitas Dan Leverage Terhadap Harga Saham (Studi Pada Perusahaan Aneka Industri Sub Sektor Industri Otomotif Dan Komponennya Yang Terdaftar Pada Bursa Efek Indonesia Periode Tahun 2009-2012). *Jurnal Administrasi Bisnis*, 7(2): 1-10.

Sari, A. D. (2018). Pengaruh Profitabilitas, Leverage, dan Nilai Tukar Rupiah Terhadap Harga Saham Perusahaan Farmasi yang Terdaftar di Bursa Efek Indonesia. Thesis. Universitas 17 Agustus 1945 Surabaya.

Silvia, A., dan Epriyanti (2021). Pengaruh Net Profit Margin (NPM), Return on Assets (ROA), Return on Equity (ROE), dan Debt to Equity Ratio (DER) Terhadap Harga Saham Pada Perusahaan Manufaktur Yang Terdaftar di BEI Periode 2014-2016. *Journal of Trends Economics and Accounting Research*, 1(3): 107-122.

Siregar, R., and Dewi, A. (2019). Analysis The Effect of Fundamental Financial Ratio of ROA, DER, CR, TATO And PBV on Stock Return of Plantation Sub Sector Industry at IDX 2014–2017. *International Journal Of Innovative Sciences and Research Technology*, 4(7): 405-414

Sukma, S. D dan Suhendro. (2019). Pengaruh Likuiditas, Leverage, dan Profitabilitas Terhadap Harga Saham. *Jurnal Media Riset Manajemen*, 2(2): 103-114

Susanti, R. (2017). Pengaruh Financial Leverage Dan Return On Equity Terhadap Harga Saham Pada Perusahaan Sub Sektor Farmasi Yang Tercatat Di Bursa Efek Indonesia. *Jurnal Bisnis Manajemen*, 1(11): 2464-2475.

Trisilo, V. A. P. (2019). Pengaruh EPS dan Rasio Profitabilitas Terhadap Harga Saham Pada Perusahaan Farmasi yang Terdaftar di Bursa Efek Indonesia Tahun 2015-2017. Thesis. Universitas Islam Majapahit Mojokerto.

Wahyuni, F. D., & Utiyati, S. (2022). Penagruh Profitabilitas, Likuiditas, Dan Leverage Terhadap Harga Saham Pada Perusahaan Farmasi Di BEI. *Ilmu Dan Riset Manajemen*, 11(1): 1–16. http://jurnalmahasiswa.stiesia.ac.id/index.php/jirm/article/view/4435/4442

Yuniarti, I. (2022). Pengaruh Current Ratio, Debt Equity Ratio, Return on Equity terhadap Harga Saham pada Perusahaan Farmasi. *Jurnal Ekonomi, Bisnis Dan Manajemen*, 1(3), 70–82.