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The Effect of Market Value, Profitability, and Solvency to *Return of* Shares in Automotive Companies Listed on the Indonesian Stock Exchange

Farraniza Artha Ridha[1], Nurjanti Takarini[2*]
[1,2] Management Study Program, Faculty of Economics and Business, Universitas Pembangunan Nasional "Veteran" Jawa Timur, Indonesia
Email: farraniza.artha@gmail.com [1]
* Correspondence author: yayannurjanti.em@upnjatim.ac.id
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Abstract
This study aims to determine the effect of market value, profitability and solvency of stock returns of automotive companies listed on the IDX. The method used in this study is a type of quantitative method with purposive sampling technique. The research sample is 70 companies. The analytical tool used in this study is the SPSS model. The secondary source used in this study was obtained from an automotive company listed on the Indonesia Stock Exchange, namely www.idx.co.id. The results of this study indicate that market value has a positive and insignificant effect on stock returns in automotive sector companies in 2018-2022. Market value (Earning Per Share/EPS) is often considered as one of the important factors influencing stock returns. EPS reflects the profit generated by the company for each outstanding share. However, there are situations where the EPS market value does not have a significant effect on stock returns. Profitability has a positive and significant effect on stock returns of automotive sector companies in 2018-2022. This is because a high profitability ratio can attract investors, increase trust, and cause an increase in demand for company shares. Solvability has a positive and significant effect on stock returns of automotive sector companies in 2018-2022. This is because debt as business capital will help maximize the company's operations so that the profits obtained will also be maximized.

Keywords: Market Value, Profitability, Solvency, Stock Return.

INTRODUCTION

In recent years, the Indonesian Stock Exchange (BEI) has experienced rapid growth, as can be seen from the increase in the number of shares traded and the increasingly high volume of share trading. This success is largely due to the government's proactive efforts in providing opportunities and convenience for investors to invest in Indonesia. Investment is a commitment of a certain amount of funds or other resources at present, with the aim of obtaining profits in the future. An investor, in the hope of being rewarded for the time and risk faced, buys shares today. Profits are expected to come from increases in share prices or receiving dividends in the future (Mangantar et al., 2020).

The increasing popularity of investment in the capital market has led to an increase in the number of investors switching from the banking sector to the capital markets sector. For investors, accurate and relevant information is very important to predict the results of their investments in the capital market. Company financial reports are a valuable source that provides an overview of a company's performance, thereby helping them in making investment decisions. To determine investment choices, investors need indicators that assist them in making decisions. Liquidity, leverage and profitability are some of the important factors studied by investors to evaluate the condition of the company concerned. Knowledge of these indicators

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helps them understand the risks and potential profits that can be expected from certain investments (Wahyualfani and Takarini, 2021).

The capital markets offer a variety of investment options, each with different levels of risk. Stock investments, for example, have higher risks than bonds. Likewise, bond investments are riskier compared to time deposits. In fact, the risks among the shares of different companies in one industry can be different, influenced by factors such as marketing, production, finance, product quality, and internal and external factors of the company .

During 2022, the Indonesian capital market managed to record several positive achievements despite facing global challenges. The growth of the capital market is reflected in the increase in stock indexes and the number of investors. The Composite Stock Price Index (IHSG) reached the level of 6,850.52 on December 28 2022, an increase of 4.09 percent from the position at the end of 2021. In fact, the IHSG reached a new record at level 7,318.016 on September 13 2022. Data from the Indonesian Stock Exchange (BEI) shows that market capitalization reached IDR 9,509 trillion on December 28 2022, an increase of 15.2 percent from the end of 2021, namely IDR 8,256 trillion. Previously, market capitalization also reached a record high of IDR 9,600 trillion on December 27 2022 (Bareksa.com) .

According to Mangantar et al. (2020), when an investor buys stocks, the goal is to get a high rate of return or profit. However, the hope of getting high stock returns also carries high risk and uncertainty in determining investment results. Stock returns are difficult for investors to predict because they are influenced by rapid and unstable stock price fluctuations. In the context of investment, return refers to the profit that investors get from their investment activities. Therefore, investors generally try to maximize this return as their main investment goal (Parinusa, 2020).

According to Poernamawati, as quoted by Parinusa (2020), defines stock returns as income earned during the investment period based on the amount of funds invested in shares. Meanwhile, according to Brigham, also quoted by Parinusa (2020), stock returns are calculated as the difference between the amount received and the amount invested, divided by the amount invested. Next, stock return data for automotive companies listed on the IDX is presented for the period 2020 to 2022. This data will provide an overview of the performance and results of stock investments in the automotive sector over the last three years:

Table 1. Stock *Return* Data for Automotive Companies Listed on the IDX for 2018-2022

No	Company name	Stock price						Stock returns (%)					
		2018	2019	2020	2021	2022	Average 2	2018	2019	2020	2021	2022	Average 2
1.	ASII	8225	6925	6025	5700	5700	6033	-1	-16	-13	-5	0	-6.94
2.	AUTO	1470	1240	1115	1155	1460	1243	-30	-16	-10	4	26	-5.13
3.	MPMX	905	655	494	1145	1120	919	-7	-27	-26	132	-2	14,16
4.	IMAS	2058	1100	1515	875	870	1086	-100	-46	38	-42	-1	-30.07
5.	GJTL	650	585	655	665	560	626	-5	-10	12	2	-16	-3.42
6.	TIME	720	460	995	5875	2120	2996	169	-36	116	490	-64	134.91
7.	GDYR	1940	2300	1420	1340	1395	1385	14	3	-29	-6	4	-2.76
8.	INDS	2220	2300	2000	2390	1945	2111	76	4	-13	20	-19	13.56
9.	LPIN	249	284	244	1175	390	603	18980	-13	-14	382	-67	3853,72
10.	BRAM	7425	10800	5200	12325	8275	8600	-17	77	-52	137	-33	22.35
11.	BOLT	970	840	790	825	745	786	-2	-13	-6	4	-10	-5.48
12.	CARS	280	186	50	50	84	61	109	6471	-73	0	68	1315.08
13.	PRAS	177	136	122	254	152	176	-20	-23	-10	108	-40	3.06
14.	SMSM	1400	1490	1385	1360	1535	1426	12	5	-7	-2	13	4,18
Total		**28689**	**29301**	**22010**	**35134**	**26351**	**28051**	**19178.61**	**6361.40**	**-87**	**1224**	**-141**	**5307.20**
Average		**2049.2**	**2092.9**	**1572.1**	**2509.6**	**1882,2**	**2003,6**	**1369.9**	**454.4**	**-6.2**	**87.4**	**-10.1**	**379.1**

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Based on the data in table 1, it is known that stock *returns* in the company automotive listed on the IDX with the 2018-2022 period is likely experience decline. This can be seen from the decline in 11 out of 14 companies in 2020. Even though it tends to increase in 2021, stock *returns* tend to decrease again in 2022. This decline is caused by several factors, both internal and external. Based on research conducted by Ulinnuha et al. (2022), stock *returns* can be influenced by profitability, solvency and market value. This is also in line with research conducted by Parinusa (2020) which states that stock *returns* can be influenced by profitability, solvency, and market value.

One of the factors that influence stock returns is the market value. According to Fahmi quoted by Ulinnuha et al. (2022), the market value ratio is a measure that reflects the situation in the market and is used to measure the market price of shares relative to their book value. This market ratio is expressed in Price to Book Value (PBV), which measures the performance of a company's share market price against its intrinsic value. The higher the market value of a company, the more attractive it is to investors and is an important consideration factor before they make investment decisions. The PBV level reflects the condition of the company's financial performance. If the PBV is high, it indicates good financial performance, which is a positive signal for potential investors to consider purchasing shares in the company. Research by Hardiani et al. (2021) also supports that market value has a positive and significant effect on stock returns.

The second factor is profitability. According to Sudan in (Nabella et al., 2022), profitability is the ability of a company to generate profits by using the resources owned by the company's assets, capital, or sales. This profitability ratio is closely related to the survival of a company. If the ratio value is good, it means that the company's losses are in a healthy condition. The greater the measured profitability, the better the company's performance, this also shows the more effective the company is in utilizing its assets to generate profits after tax. This is in line with research by Dewi and Ijratul (2020) that profitability has a positive and significant influence on company returns . However, the results of this research are different from the research of Hardiani et al. (2021) which states that profitability has a negative effect on stock *returns* .

The third factor is solvency. According to Singapurwoko and Sahid in (Nabella et al., 2022), the solvency ratio is a ratio to measure a company's ability to fulfill its long-term obligations, which is one of the important factors in influencing profitability because this ratio can be used by companies to increase the company's capital to increase profits. High solvency has a negative impact on stock returns because when a company acquires high debt it can be concluded that the company's performance is not good. This is in line with research by Nurazizah et al. (2022) which states that solvency has a negative effect on stock *returns* . However, according to Ulinnuha et al. (2022) stated that solvency has a positive and significant effect on stock *returns* because companies that have debt loans will be used to expand so that investors are more interested in buying shares in companies that have high debt.

Literature review

Stock returns

In investing stocks, understanding stock returns very important. Stock returns That Alone is difference between price sell share with price buy added shares with dividends. *Return* value share Can positive or negative. If stock returns worth positive means company get profit or capital gains, if worth negative means experience loss or *capital lost.* According to Tandelilin

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(2017: 113) suggests that return is one of the factors that can motivate investors in making investments as well as a return on investors' courage in taking risks on investments made. Whereas Jogiyanto (2017: 283) argues that return is the result obtained from investing activities, returns are divided into 2 in the form of realized returns and expected returns. The amount of stock *returns based on capital gains* can be formulated as follows:

$$Return = \frac{P_t - (P_{t-1})}{P_{t-1}} \text{x } 100\%$$

Market value

According to Irham Fahmi in (Parinusa, 2020) The market value ratio is one of the metrics used to evaluate the financial performance of a company. This ratio relates the company's stock price to the underlying financial performance. Meanwhile, according to Abdul Halim in (Parinusa, 2020) the market value ratio is used to measure management's ability to achieve a market value that exceeds the company's cash expenditure. This ratio viewpoint focuses primarily on investors and potential investors, although management also has an interest in these ratios. One ratio that is commonly used is Earning Per Share (EPS). EPS provides information about the company's net profit that can be distributed to shareholders. When EPS is higher, investors' interest in buying company shares is also higher, which in turn can increase share prices. Formula *Earning Per Share (EPS)* is as following:

$$EPS = \frac{\text{Laba bersih setelah pajak}}{\text{Jumlah saham beredar}} \text{x } 100\%$$

Ratio Profitability

According to Wiagustini in (Wulandari and Badjra, 2019) The profitability ratio is an indicator used to measure a company's ability to generate profits or profitability from its operational activities. This ratio provides an overview of the company's efficiency and effectiveness in managing resources and generating sufficient income to offset the costs incurred. These ratios provide an important picture of a company's financial performance and allow investors and analysts to compare profitability between companies in the same industry. However, it is important to remember that the interpretation of profitability ratios must be done with caution and in a wider context. This ratio only provides a brief overview of company performance and does not describe other factors such as business risk, company strategy, or market conditions (Karina and Khafid, 2015). Return on total assets will be calculated using the method of comparing net profit available to share owners with total assets using the following ROA formula:

$$ROA = \frac{\text{Laba bersih setelah pajak}}{\text{Total aktiva}} \text{x } 100\%$$

Ratio Solvency

According to Dendawijaya In (Aprilia and Soebroto , 2020) the solvency ratio is an indicator used to measure a company's ability to fulfill its long-term financial obligations. This ratio provides an overview of the company's financial health level and the extent to which the company can fulfill its financial obligations using the resources it has. The leverage ratio is a measure used to measure the extent to which a company uses debt to finance its operations and growth. This ratio provides an overview of the company's level of dependence on debt and

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related financial risks. According to Ass (2020), solvency can be calculated by using a comparison between total debt and total assets, which is formulated:

$$DER = \frac{\text{Total utang}}{\text{Total Aset}} \text{x } 100\%$$

Relationship Between Variables

The Relationship between Market Value and Stock Returns

Earning Per Share (EPS) is a ratio that explains the amount of profit after tax obtained by the company for each share outstanding. So management makes EPS the basis for determining profit distribution or stock returns. Then, when investing, of course shareholders expect profit sharing which is influenced by EPS (Rosidah et al., 2018). Then the share price is based on demand and supply between sellers and buyers, if demand rises the share price rises and vice versa. So if EPS increases, demand for a company's shares will also increase and cause share prices to rise so that the returns received also increase (Alipudin and Oktavian, 2016). Without further analysis, it will increase the risk of errors in making investment decisions which could result in them making bad investment decisions (Sabila & Pertiwi, 2021).

The relationship between *signaling theory* and a company's *Earning Per Share (EPS*) shows the amount of the company's net profit that is ready to be distributed to all company shareholders (Tandelilin, 2017). The amount of *Earning Per Share (EPS*) of a company can be known from the company's financial statement information. This is supported by research from Ulinnuha et al. (2022) and Yustini et al. (2018) that *Earning Per Share (EPS*) has a positive and significant relationship to stock *returns*.

H1 : Market Value has a positive effect on stock *returns* for automotive companies listed on the Indonesia Stock Exchange in 2018-2022.

The Relationship of Profitability Ratios to Stock Returns

According to Kasmir (2014: 114) Profitability ratio is a ratio that assesses a company's ability to seek profit or profit in a certain period. This research uses *Return On Assets (ROA)* as a proxy. *Return On Assets (ROA)* is a ratio that looks at the extent to which the investment that has been invested is able to provide returns as expected. The greater the value of *Return On Assets (ROA)* it means that the better the company uses its assets to make a profit, by increasing the value of *Return On Assets (ROA)* the profitability of the company is increasing. Companies that create high profits can influence investors' investment decisions (Pramitha & Yuniningsih, 2022).

The relationship between *signaling theory* and *Return On Assets (ROA)* is that it can help companies to provide signals to external parties by producing the quality and integrity of financial report information (Siregar and Nurmala 2018). This will be attractive for investors to own these shares because the increase in profitability will also be enjoyed by the shareholders. This investor interest will increase the demand for the company's shares, so the stock price will tend to increase, followed by an increase in stock returns as well. This is supported by research from Adawiyah and Setiyawati (2019), and Ulinnuha et al. (2022) that profitability has a positive and significant relationship with stock returns.

H2 : Profitability has a positive effect on stock *returns* of automotive companies listed on the Indonesia Stock Exchange in 2018-2022.

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The Relationship between Solvency Ratios and Stock Returns

According to Arief and Edi (2016:57) the solvency ratio is a ratio that measures the extent to which spending is carried out by debt compared to capital, and the ability to pay interest and other fixed expenses. Study This use *Debt to Equity Ratio (DER)* as the proxy. This ratio is useful for knowing the amount of funds provided by the borrower (creditor) and the company owner. *Debt to Equity Ratio (DER*) is greatly influenced by total debt, because *Debt to Equity Ratio (DER*) describes the risk that will be borne by investors. The higher the total debt compared to the total equity, the higher the risk that investors will bear, so that demand for shares decreases and results in a decrease in stock returns (Estiya 2015:52).

Based on *signaling theory* , a low solvency ratio indicates that the company has lower dependence on debt. Thus, companies have greater flexibility in managing cash flow and financial decisions. They can allocate resources more freely, deal with economic uncertainty, or implement growth strategies without being burdened by heavy debt loads. Investors tend to view financial flexibility as a positive thing because it can increase a company's growth potential and performance. This is also supported by research by Dewi (2016), Prameshti & Kurniasih (2019), and Sudarsono & Sudiyatno (2016), stating that solvency has a negative effect on stock *returns.*

H3: Solvency influential negative to stock *returns* company mining listed on the Indonesian Stock Exchange in 2018-2022

RESEARCH METHODS

Definition Operational

In this study, 3 independent variables (X) were used and 1 dependent variable (Y). Market value (X1) is used to measure how much management's ability to achieve market value that exceeds cash outlay. The point of view of this ratio is based more on the investor's (or potential investor's) point of view, although management also has an interest in these ratios. The ratio used is *Earning Per Share* . Profitability (X2) is able to measure the progress of the company's ability to generate profits in the past to be projected in the future. In this research, profitability is calculated using the *Return On Assets (ROA) formula* . Solvency (X3) Solvency, namely the company's ability to fulfill its financial obligations, both short term and long term obligations, where a company that is classified as not solvable is a company whose total debt is greater than its total assets. Stock returns (Y) Return is the result obtained from investing activities. Return is divided into 2, namely realized return and expected return. *The returns* obtained by investors from capital invested in company shares are *capital gains* and dividends. However, bearing in mind that companies do not always distribute cash dividends periodically to their shareholders, stock *returns can only be calculated from capital gains*.

Population and Sample

The population in this study are automotive companies listed on the IDX in 2018-2022. Researchers use method *purposive sampling* with sample criteria being automotive companies listed on the IDX during the 2018-2022 period. Based on elimination, 14 companies were obtained with 5 annual financial report publications (2018-2022), so the total data used was 70 research data.

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Data collection technique

The type of data used in this research is secondary. Secondary sources used in this study were obtained through the party that published them. The data was obtained from an automotive company listed on the Indonesia Stock Exchange, namely www.idx.co.id.

RESEARCH RESULTS AND DISCUSSION

Table 2. Determination Coefficient Test

Summary Model [b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,520 [a]	,271	.224	.17270	1,783
a. Predictors: (Constant), X3, X1, X2					
b. Dependent Variable: Y					

Based on the test results of the coefficient of determination, it is known that the *R Square value* is 0.271. This means that the influence of market value, profitability and solvency is 27.1% on stock *returns* in automotive companies listed on the IDX in 2018-2022. The remaining 72.9% is influenced by other variables not explained in this study.

Table 3 T test

Coefficients [a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,730	080		9,131	,000
	X1	,000	,000	-.221	-1,581	.121
	X2	1871	,449	.714	4,170	,000
	X3	.350	,146	,389	2,397	.021

a. Dependent Variable: Y

Based on yield data testing for each variable independent in a manner Partial to variable dependent, then can analyzed as following : (1) Variable market value has mark significance of 0.121 more big of 0.05 and value coefficient regression 0.000 (positive) means market value _ Partial influential No significant and positive to *returns* shares . So hypothesis 1 which says market value has a positive and significant effect is rejected. (2) The profitability variable has a significance value of 0.000 less than 0.05 and a regression coefficient value of 1.871 (positive) meaning that profitability partially has a significant and positive effect on stock *returns* . So hypothesis 2 which says profitability has a positive and significant effect is accepted. (3) The market value variable has a significance value of 0.021 less than 0.05 and a regression coefficient value of 0.350 (positive) meaning that solvency partially has a significant and positive effect on stock *returns* . So hypothesis 3 which says market value has a positive and significant effect is accepted.

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Table 4 f test

ANOVA [a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	,521	3	,174	5,819	.002 [b]
	residual	1,402	47	.030		
	Total	1,922	50			
a. Dependent Variable: Y						
b. Predictors: (Constant), X3, X1, X2						

Based on the results of the f test, it is known that the significance value shows 0.002 < 0.05. This shows that the independent variables consisting of market value (X1), profitability (X2) and solvency simultaneously have an influence on the dependent variable stock *return* (Y).

The Influence of Market Value on Stock *Returns*

Based on the results of the analysis of the t test, it is known that the market value variable has a significance value of 0.121 which is greater than the error level of 0.05 with a calculated t value of -1.581, so it can be said that the market value variable has a positive and insignificant effect on the stock return variable . Market value (*Earning Per Share/EPS*) is often considered as one of the important factors affecting stock returns. EPS reflects the profit generated by the company for each share outstanding. However, there are situations where the EPS market value does not have a significant effect on stock *returns*.

First of all, EPS is just one of many factors that affect stock performance. Stock *returns* are influenced by various other factors such as overall market conditions, industry performance, macroeconomic factors, regulatory changes, and technical factors in stock trading. Therefore, even if a company's EPS increases, other factors can offset or even overcome its effect on stock *returns* . For example, if there is an overall market decline or if there is negative news about the industry that affects investors' perceptions, this can reduce the positive influence of EPS on stock *returns.*

Furthermore, EPS also needs to be analyzed in the context of the industry in which the company operates. Not all industries have the same business structure and prospects. A stable and consistent industry can provide a more significant influence on stock returns based on EPS. However, in industries that are more volatile or subject to longer business cycles, the market value of EPS may not provide an accurate indication of a company's performance and its stock returns.

EPS is just one of the financial indicators used to analyze company performance. There are other financial indicators such as profitability ratios, liquidity ratios and debt capital ratios that also need to be considered. Stock *returns* are influenced by a number of interacting financial factors. A high EPS can indicate good performance, but if the ratio of debt to equity is high or liquidity is low, it can reduce the positive effect on stock *returns* . Therefore, it is important to analyze financial performance comprehensively rather than just paying attention to the market value of EPS.

This is in line with research conducted by Rusadi and Hermanto (2017) which states that market value (EPS) has no significant effect on stock *returns* because stock prices tend to fluctuate erratically and are caused by factors other than EPS. However, this research is

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inversely proportional to research conducted by Kusumaningdinni and Takarini (2021) which states that market value (EPS) has a positive and significant effect on stock *returns* .

The Effect of Profitability on Stock *Returns*

Based on the results of the analysis of the t test, it is known that the profitability variable has a significance value of 0.000 which is smaller than the error level of 0.05 with a calculated t value of 4.170, so it can be said that the profitability variable has a positive and significant effect on the stock return *variable* . Profitability ratios, such as *Return on Assets* (ROA), are one of the financial indicators used to measure a company's ability to generate profits from the assets it owns. ROA describes the efficient use of company assets in generating income. There are several reasons why profitability ratios, including ROA, have a significant effect on stock returns.

First of all, ROA reflects the company's financial performance directly. Stock returns, on the other hand, are a measure of the profits investors receive as a result of owning shares of a company. The relationship between ROA and stock returns is based on the principle that the higher the company's profitability, the more likely the company is to generate sufficient profits to provide good returns to shareholders. In this case, a high ROA shows the company's ability to generate good profits, which can encourage investors to buy company shares and increase stock returns.

Furthermore, ROA also reflects the efficiency of using company assets. Assets owned by a company are resources used to generate income. If the company can use these assets efficiently and generate high profits, then the possibility of the company providing good stock returns also increases. Efficient use of assets can result in higher revenues and lower costs, which in turn can increase a company's profitability and lead to better stock returns. In addition, ROA can provide information to investors about company management's ability to manage assets effectively. Good management can optimize asset use and generate high profits. Investors tend to be more interested in investing in companies that have competent management and are able to achieve high ROA. In this case, a high ROA can increase investor confidence and cause increased demand for company shares, which in turn can encourage an increase in stock *returns*.

Furthermore, ROA can also affect investors' perceptions of the intrinsic value of stocks. The intrinsic value of shares is based on the company's ability to generate profits in the future. A high ROA indicates that the company has been successful in generating current profits, which can also give investors confidence that the company has the potential to generate good profits in the future. Investors tend to give higher valuations to companies with high ROA, which can have a positive impact on stock *returns* . Finally, ROA can also provide a signal about the sustainability of a company's performance. If a company can achieve consistently high ROA, this shows stability and strong competitiveness. Companies that have consistent and stable performance tend to be more attractive to investors, which can drive demand for company shares and increase stock *returns* .

This is in line with research conducted by Ulinnuha et al. (2022), Kusumaningdinni & Takarini (2021), and Wahyualfani and Takarini (2021) which state that profitability influences stock *returns* . This is because a high profitability ratio can attract investor interest, increase trust, and cause an increase in demand for company shares.

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The Effect of Solvency on Stock *Returns*

Based on the results of the analysis of the t test, it is known that the solvency variable has a significance value of 0.021 which is smaller than the error level of 0.05 with a calculated t value of 2.397, so it can be said that the solvency variable has a positive and significant effect on the stock return *variable* . Solvency ratios, such as *the Debt-to-Equity Ratio* (DER), are one of the financial ratios used to measure the level of a company's dependence on borrowed capital compared to its own capital. DER reflects the proportion of a company's debt to its equity. There are several reasons why solvency ratios, especially DER, can have a significant effect on stock *returns*.

By using debt, companies can increase their financial leverage. In this sense, companies can use borrowed capital to generate higher profits than could be achieved with their own capital alone. In situations where the return on investment is higher than the interest costs to be paid, debt can accelerate a company's growth and generate higher profits.

By using debt as business capital, companies can obtain additional funds that may not be available if they only rely on their own capital. In some cases, a company may have an investment project that has the potential to generate high profits, but does not have sufficient funds to implement it. In this case, debt can provide access to external funding sources that allow the company to carry out the project and maximize profit potential. This increase in profits will indirectly make investors interested in buying shares from the company which will later increase the share price.

This is in line with research from Wahyualfani and Takarini (2021) which states that DER can have a positive and significant influence on stock *returns* . This is because debt as business capital will help maximize company operations so that the profits obtained will also be maximized. This is used as a way out because the costs required to obtain debt are low, the returns obtained by creditors are also limited and will benefit the company if the company is progressing. This use of debt can be reflected in a high *debt ratio if earnings per share are high, which will have an impact on stock prices and returns.*

CONCLUSION

Based on the results of the analysis and discussion of "The Influence of Market Value, Profitability and Solvency on Stock *Returns* of automotive companies listed on the IDX" it can be concluded as follows: (1) Market value (EPS) has a positive and insignificant effect on stock *returns* of automotive sector companies 2018-2022. (2) Profitability (ROA) has a positive and significant effect on stock *returns* of automotive sector companies in 2018-2022. (3) Solvency (DER) has a positive and significant effect on stock *returns* of automotive sector companies in 2018-2022. Advice, based on the results of the research and discussions that have been carried out, further suggestions that can be made are as follows: (1) For companies to pay attention to and improve financial performance in order to attract and increase investor confidence in investing in the company. (2) Investors must pay more attention to the various factors that can affect stock *returns* in the company. In this case investors can see the factors related to the company such as market value, profitability, and solvency. (3) For further research, it is hoped that more research variables can be added, such as liquidity, company value and others.

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