

CHAPTER V

CONCLUSIONS AND SUGGESTIONS

5.1 Conclusions

This research was conducted to determine the factors that affect stock prices. The dependent variable in this study is the stock price, while the independent variables used are the Current Ratio, Quick Ratio, Earnings per Share, Return on Equity, Debt to Equity Ratio, and Debt to Total Assets. Companies that are used as samples is a manufacturing company that go public and listed on the Indonesian Stock Exchange (IDX) 2011-2014 period. Samples were selected through purposive sampling technique.

Based on the analysis and discussion in chapter IV, it can be concluded that the data used in this study is normally distributed, there are no autocorrelation and multicollinearity and no heteroscedasticity. Results of testing the hypothesis by using multiple regression analysis with the dependent variable is variable stock price and independent consists of the Current Ratio, Quick Ratio, Earnings per Share, Return on Equity, Debt to Equity Ratio, and Debt to Total Assets, showed that:

1. Over all during the research period showed that the Current Ratio, Quick Ratio, Earnings per Share, Return on Equity, Debt to Equity Ratio, and Debt to Total Assets simultaneously and significantly affect stock price 69.7% and 30.3% are influenced by other factors not included in this research.

2. The first hypothesis states that the Current Ratio has partial effect on Stock Price of manufacture company in Indonesian Stock Exchange. It shows the Current Ratio has a significant positive effect on stock prices of companies listed on the Indonesian Stock Exchange., thus H_{1a} accepted.
3. The second hypothesis states that the Quick Ratio has partial effect on Stock Price of manufacture company in Indonesian Stock Exchange. It shows the Quick Ratio has a significant negative effect on stock prices of companies listed on the Indonesian Stock Exchange., thus H_{1b} accepted.
4. The third hypothesis states that the Earning per Share has partial effect on Stock Price of manufacture company in Indonesian Stock Exchange. It shows the Earning per Share has a significant positive effect on stock prices of companies listed on the Indonesian Stock Exchange., thus H_{2a} accepted.
5. The fourth hypothesis states that the Return on Equity has partial effect on Stock Price of manufacture company in Indonesian Stock Exchange. It shows the Return on Equity has a significant positive effect on stock prices of companies listed on the Indonesian Stock Exchange., thus H_{2b} accepted.
6. The fifth hypothesis states that the Debt to Equity Ratio has partial effect on Stock Price of manufacture company in Indonesian Stock Exchange. It shows the Debt to Equity Ratio has a significant positive



effect on stock prices of companies listed on the Indonesian Stock Exchange., thus H_{3a} accepted.

7. The sixth hypothesis states that the Debt to Total Asset has partial effect on Stock Price of manufacture company in Indonesian Stock Exchange. It shows the Debt to Total Asset has a significant negative effect on stock prices of companies listed on the Indonesian Stock Exchange., thus H_{3b} accepted.

5.2 Limitations of Research

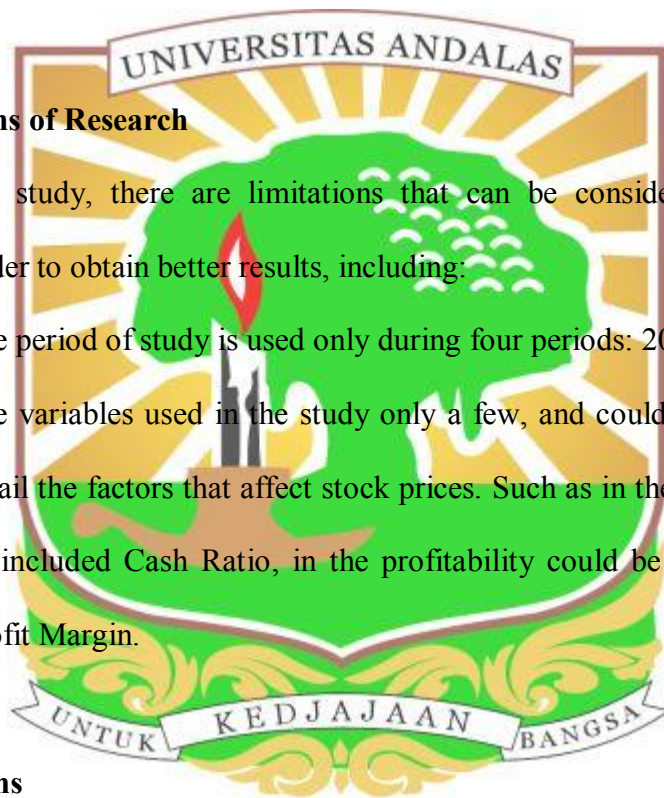
In this study, there are limitations that can be considered for further research in order to obtain better results, including:

1. The period of study is used only during four periods: 2011-2014
2. The variables used in the study only a few, and could not describe in detail the factors that affect stock prices. Such as in the liquidity could be included Cash Ratio, in the profitability could be included Gross Profit Margin.

5.3 Suggestions

1. For researchers

Given the limitations of the variables studied, is expected in the future researchers will come to expand and extend the research aspects of the study period. Because many factors can affect stock prices, especially for companies listed on Indonesia Stock Exchange.



2. For investors

Based on t test results, investors can use the Current Ratio, Quick Ratio, Earnings per Share, Return on Equity, Debt to Equity Ratio, and Debt to Total Assets for consideration before investing in capital market. Because of these variables has significant effect on stock prices. But investors must also consider information from other factors such as internal factors (condition of the company, policy directors) and external factors (economic conditions, government policy, the level of income, the rate of inflation).

5.4 Implications of the Research

1. For investors

In investing in stock, prospective investors should use a variety of considerations. Prospective investors should not only concern with the prospect of future profits, but should consider the risks to be faced.

2. For company management

For companies, the financial statements can be used to attract investors to invest their capital. Capital raised from investors can be used to support the company's operations.

3. For other capital market participants

This research can be used for other capital market participants as a guide in making investments. But capital market participants should not only consider the financial ratios in view of fluctuations in stock prices. The capital market must pay attention to the condition of the company in the long term, policy directors,



economic conditions, government policies, income level, the level of inflation, and other factors.

