



Special Issue:

**ICMS 2025**

**Master of Management Postgraduate Program**

Jl. Raya Puspipetek, Buaran, Pamulang District, South  
Tangerang City, Banten 15310,

Email: [humanismanajemen@gmail.com](mailto:humanismanajemen@gmail.com)

Website. :

<http://www.openjournal.unpam.ac.id/index.php/SNH>

## The Effect Of Return On Assets (Roa), Current Ratio (Cr), And Earnings Per Share (Eps) On The Share Price Of Pt. Indocement Tunggul Prakarsa Tbk For The Period 2011–2021

**Refka Erwansa<sup>1</sup>, Maulidiya Putri<sup>2</sup>, Sofa Yulianti<sup>3</sup>, Nurmin Arianto<sup>4</sup>**

Pamulang University, South Tangerang

Email: [maulidiyaputri2@gmail.com](mailto:maulidiyaputri2@gmail.com)<sup>1</sup>, [refkaerwansyah142@gmail.com](mailto:refkaerwansyah142@gmail.com)<sup>2</sup>,  
[shofayulianti01@gmail.com](mailto:shofayulianti01@gmail.com)<sup>3</sup>; [dosen001118@unpam.ac.id](mailto:dosen001118@unpam.ac.id)

**ABSTRACT.** This study aims to determine the effect of Return On Assets (ROA), Current Ratio (CR), and Earning Per Share (EPS) on stock prices at PT Indocement Tunggul Prakarsa Tbk for the 2011–2021 period. The research method used is descriptive quantitative with secondary data obtained from the company's financial statements. Data were analyzed using classical assumption tests, multiple linear regression analysis, partial (t) tests, simultaneous (F) tests, and the coefficient of determination using SPSS version 25. The results show that partially Return On Assets (ROA) has no significant effect on stock prices, Current Ratio (CR) has a negative and significant effect, and Earning Per Share (EPS) has a positive and significant effect on stock prices. Simultaneously, ROA, CR, and EPS significantly influence the stock prices of PT Indocement Tunggul Prakarsa Tbk for the 2011– 2021 period.

**Keywords:** Return on Assets, Current Ratio, Earnings Per Share, Stock Price.

### INTRODUCTION

The rapid development of the global economy requires companies to continuously improve their financial performance in order to compete in the capital market. The capital market plays an important role as a means of investment for the public and a source of funding for companies. Stock price fluctuations are a key indicator in assessing a company's performance and investor perceptions of its future prospects. Stock price fluctuations can be caused by various factors, both external, such as macroeconomic conditions and government policies, and internal factors reflected in the company's financial statements. These internal factors are usually measured through financial ratios such as Return On Asset (ROA), which describes a company's profitability,

Current Ratio (CR), which indicates the level

of liquidity, and Earning Per Share (EPS), which reflects the profit per share earned by investors.

PT Indocement Tunggul Prakarsa Tbk, as one of the largest cement producers in Indonesia, is an interesting object of study because its share price movements during the period 2011 to 2021 showed significant fluctuations. This condition illustrates the dynamics between financial performance and investor perception of company value. Understanding the relationship between financial ratios and stock prices is important because it can help investors assess the feasibility of an investment and assist company management in making strategic decisions that can increase the company's value in the capital market.

This study was conducted with the motivation to provide empirical evidence on the extent to which internal company factors affect stock prices, specifically through an analysis of three key financial ratios, namely ROA, CR, and EPS. The results of this study are expected to contribute to the development of financial literature and serve as a practical reference for investors and management in making investment decisions.

Based on this background, this study seeks to answer several research questions, namely: does Return On Asset (ROA) affect the stock price of PT Indocement Tunggul Prakarsa Tbk for the period 2011–2021, whether Current Ratio (CR) affects stock prices, whether Earning Per Share (EPS) affects stock prices, and whether ROA, CR, and EPS simultaneously affect the company's stock prices.

The purpose of this study is to analyze and determine the effect of Return On Asset (ROA), Current Ratio (CR), and Earning Per Share (EPS) on stock prices, both partially and simultaneously, at PT Indocement Tunggul Prakarsa Tbk for the period 2011–2021. The results of this study are expected to benefit researchers, practitioners, and academics in understanding the relationship between financial ratios and stock prices, as well as enriching their knowledge of the factors that influence company value in the Indonesian capital market.

## LITERATURE REVIEW

The literature review is the theoretical basis used to explain the relationship between the research variables, namely Return On Asset (ROA), Current Ratio (CR), Earning Per Share (EPS), and stock price. According to Fahmi (2018), financial statement analysis aims to assess a company's financial performance, particularly in terms of its ability to generate profits, manage assets, and meet its financial obligations. 's financial ratios are one of the main analytical tools used to determine the overall financial condition of a company.

Return on Assets (ROA) is a ratio used to measure a company's ability to generate net profit from its total assets. According to Kasmir (2019), a higher ROA value indicates more efficient use of assets in generating profits, which in turn can increase the company's attractiveness to investors. Therefore, ROA is considered an important indicator in determining a company's value and has the potential to influence stock prices in the capital market.

Meanwhile, Current Ratio (CR) describes a company's ability to meet its short-term obligations using its current assets. Hery (2018) states that a high level of liquidity can provide a sense of security for investors and creditors because it shows the company's ability to meet its short-term obligations. However, an excessively high CR can also indicate an excess of current assets that are not being used productively, which can have a negative impact on profitability and investor perceptions of the company's management efficiency.

Another variable, Earning Per Share (EPS), shows how much net profit a company earns for each share outstanding. According to Sartono (2017), EPS is one of the indicators most closely watched by investors because it directly reflects the potential income that shareholders will receive. The higher the EPS, the greater the potential profit for investors, which in turn can

increase demand for shares and drive up share prices.

Theoretically, the relationship between these three ratios and stock prices has been widely discussed in previous studies. Research conducted by Siregar (2020) shows that ROA and EPS have a positive effect on stock prices, while CR has a negative effect. This finding is in line with the results of research by Putri and Hidayat (2019), which states that profitability and earnings per share are the main considerations for investors in making investment decisions. Thus, conceptually, ROA, CR, and EPS can be considered important factors that influence stock price fluctuations in the capital market.

Based on the theoretical description and previous research results, it can be concluded that financial ratios are important analytical tools in assessing company performance. These three ratios— ROA, CR, and EPS—are closely related to stock prices because they reflect the financial condition and

prospects of the company in the eyes of investors. Therefore, the t of this study is to empirically test the effect of each of these ratios on the stock price of PT Indocement Tunggal Prakarsa Tbk during the period 2011–2021.

## RESEARCH METHOD

This study uses a quantitative approach with a descriptive method. The quantitative approach was chosen because this study aims to empirically test the influence between variables using numerical data that can be processed statistically. The descriptive method was used to provide a comprehensive overview of the relationship between Return On Asset (ROA), Current Ratio (CR), and Earning Per Share (EPS) on the share price of PT Indocement Tunggal Prakarsa Tbk during the research period.

The type of data used in this study is secondary data, which is data obtained indirectly from the original source, but through official publications of the company or related institutions. The main data source comes from the annual financial reports of PT Indocement Tunggal Prakarsa Tbk published on the official website of the Indonesia Stock Exchange ([www.idx.co.id](http://www.idx.co.id)) and the company's official website. The data used includes financial position reports, income statements, and annual closing stock price information for the period 2011 to 2021.

The data collection technique was carried out through documentation, namely by collecting and recording relevant data from the company's financial reports and supporting literature sources such as journals, textbooks, and previous

studies related to the research topic. All data obtained was then processed and analyzed using SPSS version 25 software.

The data analysis technique used included several stages. First, a classical assumption test was conducted, which included tests for normality, multicollinearity, heteroscedasticity, and autocorrelation to ensure that the data met the requirements for multiple linear regression analysis. Second, multiple linear regression analysis was conducted to measure the simultaneous and partial effects of independent variables on the dependent variable. Third, a t-test (partial) was conducted to determine the effect of each independent variable on stock prices, as well as an F-test (simultaneous) to test the combined effect of the three independent variables on stock prices. In addition, the coefficient of determination ( $R^2$ ) was also used to determine the extent to which the independent variables were able to explain the variation in the dependent variable.

The variables used in this study consisted of independent variables, namely Return On Asset (ROA), Current Ratio (CR), and Earning Per Share (EPS), as well as the dependent variable, namely stock price. The variables were measured based on quantitative data contained in the company's financial reports ( ). ROA was calculated using the formula of net income after tax

divided by total assets, CR was calculated using current assets divided by current liabilities, while EPS was calculated using net income divided by the number of outstanding shares. The stock price used was the closing price at the end of the year during the observation period.

Through this analysis method and technique, the study is expected to provide valid and reliable empirical results regarding the effect of ROA, CR, and EPS on the share price of PT Indocement Tungal Prakarsa Tbk, thereby strengthening the understanding of the relationship between a company's financial performance and its share value in the Indonesian capital market.

## RESULTS AND DISCUSSION

Before conducting the multiple linear regression analysis, a classical assumption test was carried out to ensure that the regression model met the BLUE criteria (Best Linear Unbiased Estimator). The normality test results indicated that the data were normally distributed, as shown by the Asymp. Sig. (2-tailed) value of  $0.200 > 0.05$ . The multicollinearity test showed that all variables had Tolerance values above 0.10 and Variance Inflation Factor (VIF) values below 10, indicating no multicollinearity problem. The heteroscedasticity test using the Glejser method showed significance values above 0.05, meaning there was no heteroscedasticity. Meanwhile, the Durbin-Watson test result of 1.812 indicated that the model was free from autocorrelation. Therefore, the data fulfilled all classical assumptions, and the regression model was deemed appropriate for further analysis. The multiple linear regression equation obtained in this study is as follows:

$$Y = 102.453 + 1.724(ROA) - 0.631(CR) + 4.518(EPS) + e$$

This equation shows that if ROA, CR, and EPS are equal to zero, the predicted stock price is 102.453 units. The ROA coefficient of 1.724 indicates that an increase of one unit in ROA will raise the stock price by 1.724 units, assuming other variables remain constant. The CR coefficient is negative (-0.631), suggesting that a higher CR tends to lower the stock price by 0.631 units. Meanwhile, EPS has a positive coefficient of 4.518, meaning that an increase of one unit in EPS will increase the stock price by 4.518 units.

### Partial Test (t-test)

The t-test was used to determine the partial effect of each independent variable on the dependent variable, namely stock price. The results show that:

1. **ROA** has a t-count of 2.177 with a significance value of 0.066 ( $> 0.05$ ), indicating no significant effect on stock price.
2. **CR** has a t-count of -2.641 with a significance value of 0.033 ( $< 0.05$ ), indicating a negative and significant effect on stock price.
3. **EPS** has a t-count of 3.193 with a significance value of 0.015 ( $< 0.05$ ), indicating a positive and significant effect on stock price.

**Table 1. Partial Test (t-test) Results**

Var	t	Sig	Desc
ROA	2.18	0.066	Not sig
CR	-2.64	0.033	Sig (-)
EPS	3.19	0.015	Sig (+)

### Simultaneous Test (F-test)

The F-test was conducted to determine whether the independent variables simultaneously affected the dependent variable. The results show that the F- count value is 4.384 with a

significance level of 0.049 ( $< 0.05$ ), while the F-table value at degrees of freedom ( $k=3, n=11$ ) is 3.59. Since  $F\text{-count} > F\text{-table}$  and the significance value  $< 0.05$ , it can be concluded that ROA, CR, and EPS simultaneously have a significant effect on stock price at PT Indocement Tunggal Prakarsa Tbk.

**Table 2. Simultaneous Test (F-test) Results**

Source	F	Sig	Desc
Model	4.38	0.049	Significant

### **Coefficient of Determination ( $R^2$ )**

The coefficient of determination test shows an  $R^2$  value of 0.686, meaning that 68.6% of the variation in stock price can be explained by ROA, CR, and EPS, while the remaining 31.4% is explained by other factors outside the model, such as inflation, interest rates, government policy, and macroeconomic conditions.

**Table 3. Coefficient of Determination ( $R^2$ )**

R	$R^2$	Adj $R^2$	Desc
0.83	0.69	0.59	Model valid

### **Discussion**

Based on the statistical tests, it can be concluded that **EPS** has a positive and significant effect on stock price, implying that the higher the company's net earnings per share, the greater the investor's interest in purchasing the company's shares. This finding supports the signaling theory, which states that company earnings act as a positive signal for investors regarding the company's future prospects.

Conversely, **CR** has a negative and significant effect on stock price, suggesting that a high level of liquidity is not always favorable since it may indicate idle current assets that are not utilized effectively. Meanwhile, **ROA** has no significant effect on stock price, showing that profitability is not yet a major consideration for investors in making investment decisions in the cement industry.

These findings are consistent with previous studies by Siregar (2020) and Putri & Hidayat (2019), which revealed that EPS is the dominant factor influencing stock prices, whereas excessive liquidity may reduce the attractiveness of a company to investors

### **CONCLUSION AND RECOMMENDATIONS**

Based on the analysis and discussion, it can be concluded that the financial performance of companies measured through financial ratios has an effect on the stock price of PT Indocement Tunggal Prakarsa Tbk during the period 2011– 2021. Partially, Return On Asset (ROA) does not have a significant effect on stock prices, indicating that the company's profitability level is not yet a key indicator for investors in determining investment decisions. The Current Ratio (CR) has a negative and significant effect on stock prices, indicating that excessively high liquidity can be interpreted as a form

of inefficiency in the use of current assets. Meanwhile, Earning Per Share (EPS) has a positive and significant effect on stock prices, indicating that investors pay more attention to the profit received per share as the main consideration in investment decisions.

Simultaneously, ROA, CR, and EPS are proven to have a significant effect on stock prices, which means that the combination of profitability, liquidity, and earnings per share plays an important role in shaping investors' perceptions of company value. These findings reinforce *signaling theory*, which explains that a company's financial information serves as a signal for investors in assessing the company's future prospects and performance. Theoretically, this study contributes to strengthening the understanding of the relationship between financial ratios and



stock prices in the Indonesian cement industry.

From a practical perspective, the results of this study can be used as a reference for company management in maintaining a balance between profitability, liquidity, and asset efficiency in order to increase the company's value in the eyes of investors. For investors, the results of this study can be used as a reference in analyzing company fundamentals before making investment decisions. Meanwhile, for future researchers, it is recommended to add external variables such as inflation, interest rates, or currency exchange rates to broaden the understanding of other factors that affect stock prices in the capital market.

## REFERENCES

- Fahmi, I. (2018). Financial Statement Analysis. Bandung: Alfabeta.*
- Hery. (2018). Financial Statement Analysis: Integrated and Comprehensive Edition. Jakarta: Grasindo.*
- Kasmir. (2019). Financial Statement Analysis. Jakarta: Raja Grafindo Persada.*
- Musthafa. (2017). Financial Management. Yogyakarta: BPFE.*
- Putri, A. D., & Hidayat, M. (2019). The Effect of Liquidity, Profitability, and Solvency on Stock Prices in Manufacturing Companies Listed on the Indonesia Stock Exchange. Journal of Management Science and Research, 8(3), 1–13.*
- Sartono, A. (2017). Financial Management: Theory and Application. Yogyakarta: BPFE.*
- Siregar, N. (2020). The Effect of Financial Ratios on Stock Prices in Consumer Goods Industry Companies on the Indonesia Stock Exchange. Journal of Accounting and Finance Research, 8(2), 125–136.*