

Impact of Fundamental Factors and Exchange Rate on the Stock Price of Pt Garuda Indonesia (Persero) Tbk Period of 2011-2018

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Abstract:- This study aims to examine the fundamental factors consisting of Current Ratio (CR), Operating Profit Margin (OPM), Net Profit Margin (NPM), Return On Assets (ROA), Return On Equity (ROE), Debt to Equity Ratio (DER), Debt to Asset Ratio (DAR), and Price to Earning Ratio (PER) and the exchange rate against the share price of Garuda Indonesia. The study uses secondary data taken from Garuda Indonesia's quarterly financial statements for the period 2011-2018. The analysis technique uses multiple linear regression with SPSS version 20. The results showed the CR, OPM, NPM, DAR and PER had no effect on stock prices. ROA and ROE have a significant effect on the positive direction of stock prices. DER and exchange rate have a significant effect with a negative direction on stock prices.

Keywords:- Fundamental factor, Exchange rate dan Stock price.

I. INTRODUCTION

Garuda Indonesia is a state-owned company in the field of transportation that has gone public. Through its IPO dated 11 February 2011, Garuda Indonesia with the issuer code GIAA officially issued its first share at a selling price per share set by the Ministry of BUMN of Rp750. This price is the lowest price offered, namely Rp750 to Rp1,100 by three underwriters, namely PT Mandiri Sekuritas, PT Bahana Sekuritas, and PT Dana Reksa. But according to the Head of Research of PT e-Trading Securities, the initial offering price of GIAA reflects 32.41 times the ratio of share price compared to net profit per share and 2.21 times the share price ratio compared to the book value so that it is still relatively expensive when compared to Malaysia Airlines, Singapore Airlines, or Cathay Pacific Airways.

Even though it is owned by the government, the aviation industry which is currently in decline and many airlines that have stopped operating due to bankruptcy also have a negative impact on the movement of GIAA stock prices after officially taking the floor on the Indonesia Stock Exchange. The failure of Garuda's shares caused the share price to decline and caused the three underwriters to experience a total loss of almost Rp690 billion (Lestari, 2014). In July 2012, Garuda's share price had increased because it almost reached its initial offering price of Rp730 per share. This increase was partly due to Garuda's ability to reduce losses and increase revenue up to 100% compared

to 2011. In 2013 Garuda again experienced a decline in share prices in the range of Rp.496 per share due to the weakening of Garuda's performance.

In the following year, Garuda again experienced an increase in share prices because it managed to close 2014 in the range of Rp. 555 per share. The increase in share price was allegedly caused by the resignation of Garuda Indonesia's Managing Director, Emirsyah Satar. In addition, the change of Garuda Indonesia's board of directors has also made many investors optimistic about the new line of directors, thereby increasing Garuda's share price. In 2015, it was known that Garuda had experienced an increase in profit compared to 2014, however its share price actually declined to Rp309 per share. The weakening of the rupiah against the US dollar, which reached Rp 13,600 at the end of 2015, is thought to be the cause of the decline. This also continued to occur in the following years until 2018 where Garuda closed its share price at Rp298 per share.

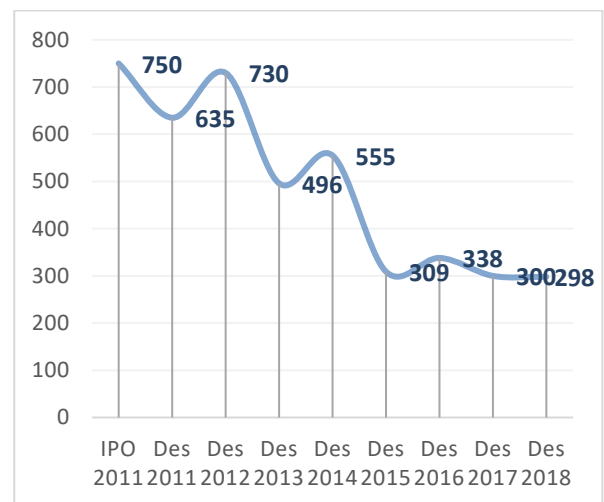


Fig 1:- Development of Garuda Indonesia Stock Prices in 2011-2018

Source: Garuda Indonesia *annual report*, processed from www.idx.co.id 2019.

The decline in Garuda's share price in this study will be reviewed using a fundamental approach which according to Ang (2017) basically talks about how investors conduct a historical analysis of the financial strength of a company, where this process is often also referred to as company analysis. In this research, fundamental factors such as

Current Asset (CR), Operating Profit Margin (OPM), Net Profit Margin (NPM), Return On Asset (ROA), Return On Equity (ROE), Debt to Equity Ratio (DER), Debt to Asset Ratio (DAR), and Price to Earning Ratio (PER).

Setyawan (2014) states that CR has a positive influence on stock prices. Anshari (2016) shows CR does not affect stock prices. In Kandiman's research (2017), it shows that CR has a negative effect on stock prices.

Nurlia's research (2016) found that OPM had a negative effect on stock prices, which was the opposite of Andrian's (2015) research because it found that OPM had a positive effect. Yanti (2013) actually states that OPM has no effect on stock prices.

Hutami (2012) concluded that NPM has a positive effect on stock prices. Different results were shown by Andrian (2015) and Nurlita (2018) who stated that NPM had a negative and significant effect on stock prices. Hutapea et al (2017) found a different result that there was no effect of NPM on stock prices.

Fathoni (2014) and Fauziah et al (2014) showed the fundamental factors of ROA were not proven to affect stock prices. While Mustofa (2016) shows ROA has a significant positive effect on stock prices. Febrianti (2017) shows ROA has a negative effect on stock prices.

Adi, et al (2012) who examined the effect of ROE on stock prices found a positive influence. In contrast to Setyorini et al (2016) who found ROE to have a negative effect on stock prices. While Sukmawati et al (2010) concluded ROE did not affect stock prices.

The result of Mussalamah's research (2015) states that DER has a negative effect on stock prices. Alipuddin's research (2016) found the opposite, namely DER had a significant positive effect on stock prices. Manoppo, et al (2017) said there was no influence between DER and stock prices. Puspitasari research results (2015) show that DAR has a positive effect on changes in stock prices. Damayanti and Valianti (2016) actually found the opposite of the negative influence that DAR has on stock prices.

Stock prices and PER have a strong relationship supported by previous research by Ratih (2013). Kartikasari's research (2012) found that PER had a negative influence on stock prices. In contrast to research by Tresnawati (2017) who did not find the effect of PER on stock prices.

Rachmadhanto and Raharja (2014) found the results that the exchange rate of the rupiah against foreign currencies had a positive influence on stock prices. Another study conducted by Wijaya (2012) found the opposite is that exchange rates have a negative effect on stock prices. The research result of Putri (2016) and Andriana (2015) results of her research showed that the exchange rate was not significant to the stock price.

➤ *Formulation of the problem*

Based on the background that has been explained, then the main problem in this study is to formulate how to increase the price of Garuda Indonesia shares by seeking changes in fundamental factors and anticipating changes in the exchange rate of the rupiah against the dollar (USD) which are further described in the following research questions:

1. Does CR affect the price of Garuda Indonesia shares?
2. Does OPM affect the price of Garuda Indonesia shares?
3. Does NPM affect the price of Garuda Indonesia shares?
4. Does ROA affect the price of Garuda Indonesia shares?
5. Does ROE affect the price of Garuda Indonesia shares?
6. Does DER affect the price of Garuda Indonesia shares?
7. Does DAR affect the price of Garuda Indonesia shares?
8. Does PER affect the price of Garuda Indonesia shares?
9. Does the exchange rate affect the price of Garuda Indonesia shares?

II. LITERATURE REVIEW

➤ *Capital Structure Theory*

According to the trade-off theory revealed by Myers (2011), "Companies will owe up to a certain level of debt, where the tax savings (tax shields) from additional debt equals the cost of financial distress". Financial distress costs are bankruptcy costs or re-organization, and agency costs that increase as a result of the decline in the credibility of a company. Trade-off theory in determining the optimal capital structure includes several factors including taxes, agency costs and financial distress costs but still maintain the assumption of market efficiency and symmetric information as a balance and benefit of using debt. The optimal level of debt is reached when the tax savings (tax shields) reach the maximum amount of the cost of financial distress.

The pecking order theory explains why companies that have higher levels of profit actually have smaller debt levels. Specifically, companies have sequences of preferences in the use of funds. In reality, there are companies that use funds for their investment needs are not appropriate as in the order (hierarchy) scenario mentioned in the pecking order theory. This is contrary to the pecking order theory which states that the company will choose to issue debt first rather than issuing shares when it needs external funding.

➤ *Signaling Theory*

Signaling theory reveals that how a company should give signals to users of financial statements. This theory is also supported by Herlina (2013) stating that information from companies can be responded positively or negatively by investors, which can affect stock price volatility. Good quality companies will intentionally give a signal to the market, thus the market is expected to be able to differentiate between good and bad quality companies (Sukirni, 2015). Share prices will rise when there is excess demand and will fall if there is an oversupply (Madhavan and Richardson, 2017). Complete, accurate, relevant and timely information is needed by investors in the capital

market as an analytical tool for making investment decisions.

➤ *Agency Approach*

According to this approach, capital structures are structured to reduce conflicts between various interest groups. The conflict between shareholders and managers is the concept of free cash flow. There is a tendency for managers to retain resources so that they have control over those resources. Debt can be considered as a way to reduce agency conflict with free cash flow. If the company uses debt, then the manager will be forced to issue cash from the company to pay interest. To do the right calculation of capital structure, companies need to use online accounting software such as journals. Journals summarize all of your company's financial records into an accounting system that can be used to produce financial reports according to the needs of the company anytime and anywhere. With cloud technology and a certified security system, Journals will keep your financial data safe without fear of facing the risk of loss.

➤ *Purchasing Power Parity*

Purchasing Power Parity (PPP) is a theory that seeks to see the relationship between inflation and the exchange rate. According to purchasing power parity, the foreign exchange market is in a state of balance if all deposits / savings deposits in various foreign currencies offer the same level of return (Madura, 2012). Regarding the exchange rate in purchasing power parity, Ball, et al., (2014) stated that exchange rates between currencies of two countries will be in balance if the prices of a group of goods and services in the two countries are the same. As according to Madura (2012), the exchange rate is not permanent but will change to maintain purchasing power parity.

➤ *Theoretical Framework*

A low CR will cause a decline in market prices of the relevant stock price. On the other hand, a CR that is too high is not necessarily good, because in certain conditions it shows that there are a lot of company funds that are unemployed (little activity) which can ultimately reduce the company's ability. The greater CR owned shows the company's ability to meet its operational needs, especially working capital, which is very important to maintain the company's performance, which in turn affects stock prices (Ratnasari, 2016).

OPM describes what is usually called 'pure profit received for each rupiah from sales made. The higher the OPM, the better the operations of a company. It can be concluded that the stock price depends on OPM, which in this case is predicted to have a positive relationship. While NPM is the acquisition of net profit after tax on sales. Suhardjono (2016) states if the greater the NPM, the company's performance will be more productive, so that it will increase investor confidence to invest in the company. With NPM, investors can judge whether the company is profitable or not.

Tandelilin (2016) states that ROA illustrates the extent of the ability of assets owned by the company can generate profits. The higher ROA ratio indicates that the company is more effective in utilizing assets to generate net income after tax, which also means that the company's performance is more effective. Rising asset values will be accompanied by rising share prices because ROA is a reflection of asset productivity so that assets are more productive in generating profit along with rising share prices. Signal theory states that a high level of ROE will encourage managers to provide more detailed information, because managers want to convince investors that the company is able to produce good profitability. The higher the value of ROE, the higher the stock price, because the return or income obtained by the owner of the company will be higher so that the company's stock price will increase.

Information on the increase in DER will be received by the market as a bad signal that will provide a negative entry for investors in making decision to buy shares. This makes demand and share prices decline. At present a company that has a small DER value is not necessarily better than a company that has a larger DER, because basically the company cannot avoid debt. Every company needs working capital which sometimes cannot be funded by the profits obtained by the company.

According to Sartono (2014) the higher the DAR, the greater the risk faced, and investors will ask for a higher level of profit, a high ratio indicates a low proportion of own capital to finance assets. This will be responded negatively by investors in the capital market. The higher the DAR of a company, the lower the company's stock price due to the greater debt costs can reduce the company's profitability. The decline in corporate profits will cause investor demand for the stock price is also reduced which will then cause prices to decline. Thus the DAR is thought to have a negative influence on stock prices.

PER is the relationship between prices on the stock market and current earnings per share that are widely used by investors as a general guide to measuring the value of shares. PER shows the profit growth of the company, and investors will be interested in the profit growth so that in the end it will have an effect on stock prices. A high PER indicates that investors are willing to pay a premium share price for the company.

Changes in the exchange rate of the rupiah against the dollar contribute to the movement of stock prices. The weakening of the rupiah against the dollar can cause company performance to decline because costs associated with export-import activities will increase so that it will have an impact on decreasing stock returns due to sluggish domestic and foreign investor interest to invest in companies (Farida and Darmawan, 2017).

Penelitian Michael (2013) menyatakan nilai tukar rupiah berpengaruh negatif terhadap harga saham. Penelitian Ouma dan Muriu (2014); Sholihah (2014); Pujawati, *et al.*, (2015); Saputra dan Dharmadiaksa (2016)

juga menyatakan nilai tukar berpengaruh negatif terhadap harga saham. Dengan demikian diduga bahwa nilai tukar yang tinggi akan membuat harga saham menjadi menurun sehingga arah hubungan yang dibangun adalah negatif.

III. RESEARCH METHODOLOGY

➤ Operationalization of Variables

The variables in this study are operationalized as follows:

1. CR or current ratio is a ratio to measure the company's ability to pay short-term liabilities or debt that are due immediately when billed as a whole. The CR ratio formula used is:

$$CR = \frac{\text{asset lancar}}{\text{utang jangka pendek}}$$

2. OPM is a profitability ratio that shows how much percentage of net income earned from each sale (Harahap, 2014). OPM can be calculated using the formula:

$$OPM = \frac{\text{laba usaha}}{\text{total penjualan}} \times 100\%$$

3. NPM according to Syamsuddin (2016) is the ratio between net income that is sales after deducting all expenses including taxes compared to sales. The NPM ratio is formulated:

$$NPM = \frac{\text{laba setelah pajak}}{\text{total penjualan}} \times 100\%$$

4. ROA is a comparison between net income after tax and assets to measure the level of total investment taking (Tandelilin, 2016). ROA Ratio is formulated:

$$ROA = \frac{\text{laba setelah pajak}}{\text{total asset}} \times 100\%$$

5. ROE is a ratio that measures the ability of companies to obtain profits available to shareholders of the company (Darmadji and Fakhruddin, 2018). This ratio is formulated:

$$ROE = \frac{\text{laba setelah pajak}}{\text{total ekuitas}} \times 100\%$$

6. DER according to Syamsuddin (2016) is a ratio that can show the relationship between the number of long-term loans provided by company owners. The DER formula is:

$$DER = \frac{\text{total utang}}{\text{total modal}}$$

7. DAR is this ratio measures the percentage of the amount of funds originating from debt both short and long term (Fahmi, 2017). The DAR formula is as follows:

$$DAR = \frac{\text{total utang}}{\text{total asset}}$$

8. PER is the market price of each share in the future (Jogiyanto, 2014). PER is formulated:

$$PER = \frac{\text{harga per lembar saham}}{\text{laba bersih saham}}$$

9. Exchange Rate is the price of one unit of US dollars (USD) in Rupiah (Rp) (Simorangkir and Suseno, 2014). In this study dollar exchange rate data was used during the study period.

10. Share price is the price of a stock on the market that is taking place on a stock exchange (Sunariyah, 2016). In this study using the closing stock price (closing price).

➤ Population and Sample

The population in this study is the quarterly financial statements of PT Garuda Indonesia Tbk. Samples were taken with a saturated sampling technique where all members of the population were used as research samples. In order to meet the requirements of the number of research samples, the research period taken was from 2011 to 2018 so that the sample size was obtained 32 samples of financial statements.

➤ Data Collection Method

The data collection method in this study uses the documentation method because the data used are secondary data. The quarterly financial statements of PT Garuda Indonesia Tbk published during the period 2011-2018 are secondary data on the study.

➤ Data Analysis Techniques

Data analysis techniques in this study used descriptive statistical analysis and inferential statistics using multiple linear regression analysis with the SPSS program.

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + \beta_9 X_9 + e$$

Ket:

Y = Harga saham

$\beta_{1,2,3, \dots}$ dst = Koefisien regresi

X₁ = CR

X₂ = OPM

X₃ = NPM

X₄ = ROA

X₅ = ROE

X₆ = DER

X₇ = DAR

X₈ = PER

X₈ = Nilai tukar

e = standar error

IV. RESEARCH RESULT

➤ *Multiple Linear Regression Analysis*

Multiple linear regression is an analysis that is used simultaneously to examine two or more variables with a dependent variable (Ghozali, 2016). Based on the results of data processing, the following multiple linear regression equation is obtained:

$$Y = -4,062 + 0,223 CR + 0,034 OPM - 0,021 NPM + 0,661 ROA + 0,393 ROE - 0,618 DER + 0,177 DAR + 0,213 PER - 0,433 LNKURS + e$$

The constant value obtained is -4,062. The negative value in this constant shows that the price of Garuda Indonesia shares tends to be at a low level during 2011 to 2018.

The CR regression coefficient obtained 0.223 with a positive sign indicates that Garuda Indonesia has a fairly good Current Ratio and has a positive relationship with stock prices. If Garuda Indonesia can increase the Current Ratio then this will make the share price increase by 22.3% (0.223 x 100%).

OPM variable regression coefficient obtained 0.034 with a positive sign. These results indicate that if Garuda Indonesia experiences an increase in Operating Profit Margin, the share price will increase by 3.4% (0.034 x 100%).

It is known that NPM obtained a regression coefficient of -0,021 with a negative sign indicating a negative influence of NPM on stock prices. If Garuda Indonesia experiences an increase in the Net Profit Margin side, the share price will decrease by 2.1% (0.021 x 100%).

The ROA variable obtained a regression coefficient of 0.661 with a positive sign. This means that ROA has a positive relationship with stock prices. If Garuda Indonesia is able to increase Return on Assets, the share price will increase by 66.1% (0.661 x 100%).

ROE variable regression coefficient obtained 0.393 with a positive sign. These results indicate that if Garuda Indonesia experiences an increase in Return on Equity, the share price will increase by 39.3% (0.393 x 100%).

It is known that DER obtained a regression coefficient of -0.618 with a negative sign indicating a negative influence of DER on stock prices. If Garuda Indonesia experiences an increase in Debt to Equity Ratio, the share price will decrease by 61.8% (0.618 x 100%).

DAR regression coefficient obtained 0.177 with a positive sign indicates that Garuda Indonesia has a Debt to Asset Ratio that has a positive relationship with stock prices. If Garuda Indonesia can increase its Debt to Asset Ratio this will make the share price increase by 17.7% (0.177 x 100%).

Seen PER variable obtained a regression coefficient of 0.213 with a positive sign. This means that PER has a positive relationship with stock prices. If Garuda Indonesia is able to increase the Price Earning ratio, it will cause the stock price to increase by 21.3% (0.213 x 100%).

LNKURS variable regression coefficient obtained - 0.433 with a negative sign. These results indicate that the exchange rate has a negative relationship with stock prices. If the dollar exchange rate increases, the stock price will decrease by 43.3% (0.433 x 100%).

➤ *Goodnes of Fit Test Results*

Goodness of fit test results aim to test the feasibility of the overall regression model. This is done with the significance test F and the coefficient of determination as follows:

	Model	F	Sig.
1	Regression	25.318	.000 ^a
	Residual		
	Total		

Table 1:- Significance Test Results F

Based on the data shown the calculated F value of 25.318 with sig 0,000. At df1 = 9 and df2 = 23 5% significance obtained F table value of 2.32. This result thus shows that all independent variables (CR, OPM, NPM, ROA, ROE, DER, DAR, PER and exchange rate) simultaneously have a significant effect on Garuda Indonesia stock prices because F count is 25.318 > F table 2.32 and sig 0,000 < sig 0.05.

The determination coefficient test aims to determine the percentage of the effect of independent variables on the dependent variable (Ghozali, 2016). The coefficient of determination test results are obtained as follows:

Model	R	R Square	Adjusted R Square
1	.955 ^a	.912	.876

Table 2:- Test Results for the Coefficient of Determination
Sumber : data diolah, 2019.

The coefficient of determination is formulated R2 = Adjusted R Square X 100%. From the table above shows the determination coefficient value of 0.876 which means that all independent variables namely CR, OPM, NPM, ROA, ROE, DER, DAR, PER and exchange rates have the ability of 87.6% in explaining variations in stock prices. While the remaining 12.4% is influenced by other variables not examined in this study.

➤ *Hypothesis Test Results*

1. Hypothesis 1 - The effect of CR on stock prices is shown by the regression coefficient of 0.223 t count 1.518 and sig 0.143 information rejected. These results indicate that CR has no effect on stock prices because the value of t value 1.518 < t table 2.042 at a significance level of 5% two-party test.
2. Hypothesis 2 - The influence of OPM on stock prices is shown by the regression coefficient of 0.034 t count

- 0.079 and sig 0.938 information rejected. These results indicate that OPM has no effect on stock prices because the t value is 0.079 < t table 2.042 at the 5% significance level of the two-party test.
3. Hypothesis 3 - The effect of NPM on stock prices obtained a regression coefficient of -0.021 with a calculated value of -0.018 and sig of 0.985. At the 5% significance level of the two-party test the t value of table 2.042 was obtained. Thus these results indicate that NPM has no effect on stock prices because the value of t arithmetic is smaller than the value of t table (-0.018 < 2.042) at the significance level of 5%.
 4. Hypothesis 4 - The effect of ROA on stock prices shows the value of the ROA regression coefficient on stock prices is 0.661 with a t value of 1.980 and significance of 0.060. The t value in the table with a significance level of 10% for the two-party test was 1,697. Thus these results indicate that ROA is proven to have a significant effect on stock prices because t value 1.980 > t table 1.697 and sig 0.060 < sig 0.10. The value of the regression coefficient that is positive indicates the direction of influence given by ROA is positive, meaning that if ROA has increased by 1% then it will make the stock price also increased by 66.1%.
 5. Hypothesis 5 - The effect of ROE on stock prices shows that the ROE regression coefficient on stock prices is 0.393 with t count 1.871 and sig 0.075. These results indicate that ROE has a positive and significant effect on stock prices because the value of t value 1.871 > t table 1.697 with sig 0.075 < sig 0.10. Thus it was shown that the increase that occurred in ROE would be able to increase share prices by 39.3%.
 6. Hypothesis 6 - The effect of DER on stock prices shows the value of the DER regression coefficient on stock prices is -0.618 and the t value is -2.556 with sig 0.018. T table at the 5% significance level of the two-party test obtained 2,042. These results indicate that DER has a significant negative effect on stock prices because -2,556 > -2,042 and sig 0,018 < sig 0,05. The increase in DER will reduce the share price by 61.8%.
 7. Hypothesis 7 - Effect of DAR on stock prices The regression coefficient value is shown at 0.177 and t arithmetic 1.601 sig 0.121. T count value of 1.601 < t table 2.042 shows that DAR does not significantly influence the stock price at the 5% significance level of the two-party test.
 8. Hypothesis 8 - The effect of PER on stock prices shows that PER is insignificant to stock prices because t values obtained are 1.728 < t table 2.042 at the 5% significance level of the two-party test.
 9. Hypothesis 9 - The effect of the exchange rate on the stock price is shown the LNKURS regression coefficient value of the stock price is -0.433 and the t value is -2.335 with sig 0.028. T table at the 5% significance level of the two-party test obtained 2,042. These results indicate that the exchange rate has a significant negative effect on stock prices because -2,351 > -2,042 and sig 0,028 < sig 0,05. An increase in the exchange rate will reduce share prices by 43.3%.

V. DISCUSSION

➤ *Effect of Current Ratio on Share Prices*

Hypothesis 1 test results indicate rejected, meaning that CR has no effect on stock prices. These results indicate that the high and low CR values owned by Garuda Indonesia do not become a benchmark for investors in determining the company's financial condition, so it does not affect the movement of stock prices in the capital market. The results of this study contradict the previous research conducted by Saputri and Soekotjo (2016), Pratama and Erawati (2014), and Setiyawan and Pardiman (2014) which have shown that the current ratio affects stock prices. The results of this study are more in line with Ansari (2016), Antareka (2016), and Bagherzadeh et al (2013) which states that CR has no effect on stock prices.

➤ *Effect of Operating Profit Margin on Share Prices*

The results showed that OPM was not proven to have an effect on stock prices, thus H2 was rejected. These results indicate that the higher OPM does not necessarily reflect the better operations of the company so that it does not affect the determination of share prices on the capital market. The results of the study are in line with previous research by Nugroho (2011) which states that OPM is not significant to stock prices.

➤ *Effect of Net Profit Margin on Share Prices*

NPM is the net profit after tax on sales. The results showed that NPM did not significantly affect stock prices, which means H3 was rejected. This indicates that the company's achievement of net profit from sales is not able to attract investors to invest in the company so that it has no effect on the stock price. The results of this study are in line with Hutapea et al (2017) and Sholihah (2018) which states that NPM is not significant to the company's stock price. This means that management has failed in terms of operations (sales) and this will result in reduced investor confidence in investing in the company. NPM measures the company's ability to generate net profits from sales made by the company.

NPM does not affect the stock price implies that when net profit rises, total sales will go up, this is due to the high costs incurred by the company.

➤ *Effect of Return on Assets on Share Prices*

Hypothesis 4 test results show that ROA is proven to have a significant effect on stock prices in a positive direction. The results of the study are in line with several studies including Ferdianto (2014) who concluded that ROA affects the share price in the mining sector in 2011-2013. Another study by Muksal (2014) showed that the secondary market sector in the Jakarta Islamic Index (JII) ROA affected stock prices. Research by Rahmi et al. (2013) who conducted research on the variable ROA, the results found were that the ROA variable had a positive effect on stock prices. The results of this study have the implication that the company's ability to generate a return on assets used, makes the company have the opportunity to increase growth so that it can effectively generate profits which

ultimately becomes a positive signal that reflects the company's financial prospects in the future.

➤ *Effect of Return on Equity on Share prices*

Hypothesis 5 test results indicate received in a positive direction which means an increase in ROE will make the stock price also increased. This is in line with the signal theory which states that high levels of ROE encourage managers to convince investors that the company is able to produce good profitability. Similar research results were conducted by Ratih (2013) who found that ROE has a positive and significant effect on stock prices. In line with the opinion of Saleh (2015) Kohansal et al. (2013), Wang et al. (2013) who found Return on Equity (ROE) significant and positive effect on stock prices. This research implies that the higher the value of ROE, the higher the share price, because the return or income obtained by the company owner will be higher so that the company's stock price will increase. With the ability of Garuda Indonesia to produce high rates of return on the capital used, it is considered a positive thing, giving rise to a good perception in the eyes of investors.

➤ *Effect of Debt to Equity Ratio on Share Prices*

DER can be used as a measurement of how far a company is financed by the creditor. Hypothesis 6 test results show that DER has a significant effect on stock prices in a negative direction, which means an increase in DER will make the stock price decrease and conversely a decline in DER will make the stock price increase. This result is in line with the pecking order theory which states that an increase in DER will be accepted by the market shows that the company does not have sufficient retained earnings to finance the company's operations so that it must use external funds for expansion requirements that are subject to bankruptcy risk. The results of this study are in line with previous studies by Ratih (2013), Safitri (2013), and Raharjo (2013) because they have shown that DER has a negative effect on stock prices.

➤ *Effect of Debt to Asset Ratio on Share Prices*

If the company has a higher DAR value, the amount of loan capital from the company will also be high. The higher the DAR of a company, the lower the company's stock price due to the greater debt costs can reduce the company's profitability. However, the results of the study showed different because the DAR in this study was not proven to affect the price of shares in the capital market. Results are in line with previous research by Ponggohong (2016) which states that DAR is not significant to stock prices.

➤ *Effect of Price to Earning Ratio on Share Prices*

Hypothesis 8 test results show that PER has no effect on stock prices. Thus this indicates that the profit growth of the company is not able to attract investors so that it will not have any effect on stock prices. The results of the study contradict Primayanti (2013) and Ademola et al. (2016) Price Earning Ratio (PER) has a positive and significant effect on stock prices. The results of the study are in line with previous research by Tresnawati (2017),

Novasari (2013), and Prasetyo (2012) which states that PER is not significant to stock prices. In this research PER cannot be used to predict or predict high or low stock prices, or in other words stock prices are not influenced by PER. This is because investors usually look for shares using other considerations such as Earning Per Share.

➤ *Effect of Exchange Rates on Share Prices*

Hypothesis 9 test results show that the exchange rate has a significant negative effect on stock prices. This indicates that the weakening of the rupiah against the dollar can cause company performance to decline because costs associated with export-import activities will increase so that it will have an impact on decreasing stock returns. The results of the study are in line with previous studies conducted by Anggoro (2011) and Wijaya (2012) who found that the exchange rate had a negative effect on stock prices. This research implies that the weakening (decreasing) of the exchange rate of the rupiah against the value of foreign currencies (US dollars) has a negative impact on the equity market, causing the capital market to not attract investors, causing investors to turn to the money market because it has greater profits.

VI. CONCLUSIONS

From the results of the research described, conclusions can be drawn:

1. CR has no effect on the share price of Garuda Indonesia in the 2011-2018 financial statement period. The financial condition shown by CR does not become a benchmark for investors in evaluating the company's performance so that it does not affect the stock offering.
2. OPM has no effect on the share price of Garuda Indonesia in the 2011-2018 financial statement period. OPM which is always changing is not a consideration of investors in determining their investment in the company.
3. NPM has no effect on the share price of Garuda Indonesia in the 2011-2018 financial statement period. The high value of NPMs does not cause share prices to become higher in the capital market.
4. ROA has a significant effect on the positive direction of the share price of Garuda Indonesia in the 2011-2018 financial statement period. The higher the company's achievements in net income from assets, showing better performance and attracting investors, thereby increasing share prices.
5. ROE has a significant effect on the positive direction of the share price of Garuda Indonesia in the 2011-2018 financial statement period. High ROE is a good signal to increase stock prices in the capital market.
6. DER has a significant negative effect on the price of Garuda Indonesia stock prices in the 2011-2018 financial statement period. The composition of the debt value that is too large can cause investors to see it as a bad signal of the risk of bankruptcy faced by the company, thereby reducing share prices.
7. DAR has no effect on the share price of Garuda Indonesia in the 2011-2018 financial statement period.

8. PER has no effect on the share price of Garuda Indonesia in the 2011-2018 financial statement period. The size of the uncertain PER does not affect investor valuations on the company's stock price.
9. The exchange rate has a significant negative effect on the price of Garuda Indonesia shares in the 2011-2018 financial statement period. The high dollar exchange rate makes companies have to pay more for operations whose raw materials are purchased imported so that investors are worried about the poor financial performance which will ultimately reduce the price of shares.

From the research results that have been explained, it can be given research suggestions as follows:

1. Garuda Indonesia can increase the net profit achievement of the total assets owned so that it will attract investors to invest in the company and ultimately make the stock price increase because investors will be interested in the condition of the company that has the ability to manage earnings per asset well.
2. The company can also increase the efficiency of the use of capital (shares) in order to generate high net income so that it can be a good signal to be able to increase share prices.
3. Garuda Indonesia can pay close attention to the use of external debt more proportionally so as not to provide speculation that the company is experiencing losses which can ultimately maintain the stability of share prices on the capital market.
4. Garuda Indonesia can make savings in such a way as to cover operational costs and optimize various other financial items so that operational costs can be covered even though the exchange rate has increased.
5. It is recommended that further studies examine other financial variables that are thought to be able to trigger changes in Garuda Indonesia stock prices.

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