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THE IMPACT OF CAPITAL STRUCTURE AND PROFITABILITY ON STOCK PRICES IN THE PROPERTY SECTOR COMPANIES AND REAL ESTATE LISTED ON THE INDONESIA STOCK EXCHANGE

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Abstract:

The purpose of this study was to determine the effect of capital structure through the Debt-to-Equity Ratio (DER) and profitability through Return on Equity (ROE) on stock prices in property and real estate sector companies on the Indonesia Stock Exchange (IDX) for the 2016-2021 period. This type of research is field research (field research). By using a quantitative descriptive approach to describe the effect of capital structure, and profitability on stock prices of Property and Real Estate companies for the 2016-2021 period. The population in this study was 86 Property and Real Estate companies. With the purposive sampling technique, only 32 companies were sampled in this study. Data collection techniques use documentation techniques in the form of Annual Reports, statistical reports on annual stock movements, and other data through the Indonesia Stock Exchange website for 6 years. The results of the research that the authors obtained indicate that the Capital Structure through the Debt-to-Equity Ratio (DER) on stock prices. Profitability through Return on Equity (ROE) on stock prices has a negative effect. Capital Structure through Debt-to-Equity Ratio (DER) and Profitability through Return on Equity (ROE) can jointly affect the Stock Price. Based on the results of the coefficient of determination test, it is known that stock prices are influenced by capital structure and profitability by 3.4% while the remaining 96.6% is influenced by other variables outside of this study. Whereas the things that can affect changes in the price of shares are Return on Asset (ROA), return On Equity (ROE), Debt To Asset Ratio (DAR), Debt To Equity Ratio (DER), Book Value Per Share (BVS), Price Book Value (PBV), and Earning Per Share (EPS).

A. INTRODUCTION

The stock price is a factor that makes investors willing or not to invest their funds in the capital market. The company's stock price can describe the condition of the company and reflect the level of the company's condition and reflect the rate of return that will be obtained by investors, changing stock prices can be caused by less-than-optimal capital structure and profitability generated by the company (Anggraini, 2018). The trust of investors and potential investors is important for the company because this trust can increase interest in investing in the company. With a high interest in investing, the investment demand will increase, so that it can increase the stock price. On the other hand, if the stock price decreases, the level of trust in the company decreases (Pratiwi, 2019).

In general, stock prices are obtained to calculate the value of the shares. Stock prices tend to be influenced by the psychological pressure of buyers and sellers. The performance of a stock can be seen from the highest price, lowest price, and closing price on a particular stock day (Arifiani, 2019). Many factors can affect stock prices, one of which is the capital structure. Financial position and stock prices can be affected by the good or bad capital structure, this is an important issue for the company. Capital structure can be measured using the Debt-to-Equity Ratio (DER), which is a debt research ratio that shows a comparison between the company's debt and equity (Hanafi, 2019). The reason for choosing the Debt-to-Equity Ratio (DER) is because this ratio describes the company's source of funding. Taking into account that the greater the total debt, the higher the company's risk of facing bankruptcy. This has an impact on decreasing stock prices, so investors are not responsive to this information in making decisions on stock investments. A high DER makes investors less interested in buying shares in the company because the company's financing is mostly done through debt. This debt resulted in a decrease in the demand for company securities and resulted in a decrease in stock prices (Trimurti, 2016).

The large number of people who invest their capital in property and real estate companies is due to land prices that tend to continue to increase. The price of land is not determined by the market but by the people who own the land. the increase in

land prices on average between 30-40% per year in developing areas. If previously the property and real estate market started from investors who determined the location, now the market is formed from high demand, then a project will be built next (Anggraini, 2018).

The performance of the company's stock price is also shown through companies that have high profitability and have succeeded in increasing company profits. With increased profits, it can indicate that the company's performance is good, thus giving a positive signal to shareholders and making the company's share price increase. High profitability shows good prospects or company performance in the future so that it will create a positive signal or sentiment for shareholders and the value of the company will increase (Annisa, 2018). The company's ability to earn a profit can be measured through its capital up to all the funds invested in the company. Profitability can measure the extent to which a company's ability to earn a profit. Profit is the main factor measuring the level of effectiveness and efficiency of the company with all company funds and resources (Wulandari A. I, 2019).

Profitability can be measured by Return on Equity (ROE). The reason for using Return on Equity (ROE) is because this ratio is a measure of profitability from the perspective of shareholders. One of the reasons why operating a company is to generate a profit that will benefit the shareholders. If the company can generate high profits, it will attract investors to invest in the company, so it will have an impact on increasing the company's stock price. The increase in ROE is usually followed by an increase in the company's stock price. The higher the ROE means the better the company's performance in managing its capital to generate profits for shareholders. ROE shows the ability of own capital to generate profits for shareholders. The greater the ROE indicates that the company is getting better at the welfare of its shareholders so ROE is positively related to stock prices (Arifiani, 2019).

The development of property investment in Indonesia has increased every year, this is because property investment is quite promising and the investment product is different from other investments. This condition is supported blow-interest rates and supported by large market demand in the country for these various products. For example, many investors shift their funds from deposits to land investments. This

growth is influenced by several things, including the increase in the number of middle economic groups in Indonesia so the demand for residential housing will also increase. The Indonesian property market is the prima donna to be targeted as a property asset. Starting from solid investments, promising long-term investments, stock prices that continue to climb, to passive income that can be obtained from rental proceeds. The development of the property and real estate sector will of course attract investors because the price of land and buildings tends to rise, the supply of land is fixed while the demand will always increase along with the increase in population (Arifiani, 2019).

The objects used in this study are property and real estate sector companies listed on the Indonesia Stock Exchange for the 2016-2021 period. The reason the researcher uses the company is that the property and real estate sector companies have product characteristics that are needed by many people. Property and real estate sector companies are one of the most important factors in a country. Investment in property and real estate generally has a long-term nature and will grow in line with the economic economy and is believed to be one of the most promising investments. This is because the increase in land and building prices tend to increase and the supply of land is fixed, while demand will always increase in line with the population and increasing human needs for housing, offices, tourist attractions, shopping centers, and others. Based on the explanation above, the following researchers present data on the comparison of total capital and net income with stock prices.

Theoretically, (Hanafi, 2019) explains that capital structure is one of the most important factors that investors must consider when making investments. A company that has a good capital structure (capital) does not have a good reputation and of course, will not affect the share price. The better the capital structure, the (capital) of a company, and the higher the share price will be. This means that the more the company's capital increases, the price of the shares will also increase. Based on table 1 on property companies and real estate listed on the IDX for the 2016-2021 period, there is a discrepancy between the theory above and the data in the field. The companies that have increased capital but whose share prices have decreased are as

follows: Alam Sutera Realty Tbk (ASRI) in 2017 to 2018, 2018 to 2019 and 2020 to 2021, Bekasi Asri Pemula Tbk (BAPA), in 2018 to 2019, Bhuwanatala Indah Permai Tbk (BIPP) in 2016 to 2017, Binakarya Jaya Abadi Tbk (BIKA) in 2016-2017, Bumi Citra Permai Tbk (BCIP) in 2017 to 2018 and 2018 to 2019, and many more.

While the company which experienced a decrease in capital but whose share price increased, namely Alam Sutera Realty Tbk (ASRI) from 2019 to 2020, Bekasi Asri Pemula Tbk (BAPA) from 2020 to 2021, Bhuwanatala Indah Permai Tbk (BIPP) in 2017 to 2018, and 2020 to 2021, Binakarya Jaya Abadi Tbk (BIKA) in 2021 to 2021, Duta Anggada Realty Tbk (DART) in 2018 to 2019, and 2020 to 2021, Fortune Mate Indonesia Tbk (FMII) in 2017 to 2018 and 2019 to 2020, Indonesia Prima Property Tbk (OMRE) in 2016 to 2017, 2017 to 2018, and 2020 to 2021, Kawasan Industri Jababeka Tbk (KIJA) in 2018 to 2019, Lippo Cikarang Tbk (LPCK) in 2019 to 2020, Metro Realty Tbk (MTSM) in 2020 to 2021, Pikko Land Development Tbk (RODA) pa from 2017 to 2018, and 2019 to 2020, PP Properti Tbk (PPRO) from 2019 to 2020, and Puradelta Lestari Tbk (DMAS) from 2018 to 2019.

Theoretically, Hanafi (2019:2) explains that profitability is also one of the most important factors that cannot make the stock price of a company low or high. Because profitability can measure the company's ability to generate profits. If the company gets a profit, then the price of its shares will increase. If the company's profit increases, the value of its shares will also increase. On the other hand, if the company's profits go down, the share price will also go down. Based on table 1 on property companies and real estate listed on the IDX for the 2016-2021 period, there is a discrepancy between the theory above and the data in the field. The companies that have increased profits but whose share prices have decreased are as follows: Alam Sutera Realty Tbk (ASRI) in 2018 to 2019, and 2019 to 2020, Bekasi Asri Pemula Tbk (BAPA) in 2018 to 2019, Bhuwanatala Indah Permai Tbk (BIPP) in 2016 to 2017, and 2019 to 2020, Binakarya Jaya Abadi Tbk (BIKA) in 2017 to 2018, 2018 to 2019, and 2019 to 2020, Bumi Serpong Damai Tbk (BSDE) in 2016 to 2017, 2018 to 2019, and 2020 to 2021, Ciputra Development Tbk (CTRA) in 2017 to 2018, 2019 to 2020, and 2020 to 2021, and many more.

While the company which experienced a decrease in profit but its share price increased, namely as follows Bekasi Asri Pemula Tbk (BAPA) in 2017 to 2018, Bhu wanatala Indah Permai Tbk (BIPP) in 2020 to 2021, Bumi Citra Permai Tbk (BCIP) in 2019 to 2020, and 2020 to 2021, Ciputra Development Tbk (CTRA) in 2018 to 2019, Fortune Mate Indonesia Tbk (FMII) in 2016 to 2017, 2017 to 2018, and 2019 to 2020, Indonesia Prima Property Tbk (OMRE) in 2016 to 2017, and 2020 to 2021, Mega Manunggal Property Tbk (MMLP) in 2019 to 2020, Metro Realty Tbk (MTSM) in 2020 to 2021, Metropolitan Kentjana Tbk (MKPI) in 2016 to 2017, and 2019 to 2020, Metropolitan Land Tbk (MTLA) in 2017 to 2018, and 2018 to 2019, Pikko Land Development Tbk (RODA) in 2017 to 2018, 2019 to 2020, and 2020 to 2021, PP Properti Tbk (PPRO) in 2019 to 2020, Roda Vivatex Tbk (RDTX) in 2018 to 2019, and 2020 to 2021, Sentul City Tbk (BKSL) in 2016 to 2017, and 2020 to 2021, Summarecon Agung Tbk (SMRA) from 2018 to 2019, and Suryamas Dutamakmur Tbk (SMDM) from 2016 to 2017. Of course, this is not in accordance with the theory which says that if the stock price increases then the capital and profits will increase, and vice versa if the stock price decreases then the capital and profits will also decrease.

B. LITERATUR REVIEW

Agency Theory, Financial Statements, Financial Performance, and Financial Ratio

Accountability relationships among various interested parties in the company and its relation to financial reports, for example between management and owners, management and employees, management and the public, and so on. Usually, this is known as agency theory which looks at the relationship based on the concept of agent and principal (Harahap, 2011). Agency theory is a contractual relationship between the principal (contract giver) and agent (contract recipient), the principal can contract the agent to work for the interests or goals of the principal so that the principal can give decision-making authority to the agent to achieve that goal. (Supriyono, 2018).

Financial statements are information that describes the financial condition of a company, where the information can be used as a description of the financial

performance of a company. Financial statements are a very important tool for obtaining information regarding the financial position and results achieved by the company concerned so financial statements are expected to help users to make financial economic decisions. Published financial statements are considered to have an important meaning in assessing a company because the financial statement information can be analyzed, whether the company is good or not for those interested. Which has favorable prospects in the future (Hidayat, 2018).

Financial performance is the success, achievement, or workability of the company to create value for the company or the owner of capital effectively and efficiently (Rahayu, 2020). Financial performance is an analysis carried out to see how far a company has implemented using financial implementation rules properly and correctly. Performance is also the result of an evaluation of the work that has been completed, the results of the work are compared with the standards that have been set together. Any work that has been completed requires periodic assessment or measurement (Hutabarat, 2020).

Financial ratios are activities to compare the numbers in the financial statements by dividing one number by another. Comparisons can be made between one component with components in one financial report or between components that exist between financial statements. Then the numbers being compared can be in the form of numbers in one period or several periods (Kasmir, 2011). The forms of financial ratios are as follows:

a. Liquidity Ratio. The liquidity ratio is a ratio used to measure the company's ability to meet short-term financial obligations in the form of short-term debts.
b. Solvency Ratio. The solvency ratio is the ratio used to measure the company's ability to meet financial obligations in the form of debts.
c. Activity Ratio. The activity ratio is a ratio used to measure the company's ability to manage company assets.
d. Profitability Ratio. The profitability ratio is a ratio used to measure the company's ability to generate profits (Hutabarat, 2020).

Understanding Capital and Capital Structure

Capital is the right or share owned by the owner of the company in the post of capital (share capital), profits or retained earnings, or excess assets owned by the company against all its debts. Capital is divided into two parts, namely active capital (debit) and passive capital (credit) (Pasrizal, 2014). Capital structure is a balance or comparison between foreign capital and own capital. Foreign capital is defined in this case as debt, both long-term and short-term. While the own capital can be divided into retained earnings and can also be included in the company's ownership (Pasrizal, 2014). The types of capital structure used in financial performance are:

a. Debt to Equity Ratio. The ratio is used to measure the level of use of total shareholders' equity debt owned by the company. (Putri D. M., 2020, p. 19). Measuring the Debt to Asset Ratio (DAR) is as follows. (Kasmir, 2011):
b. Debt to Asset Ratio. The ratio is used to measure how much the company's assets are financed by total debt. (Putri D. M., 2020). Measuring the Debt-to-Equity Ratio (DER) is as follows (Kasmir, 2011).

Capital structure is an important issue in making decisions regarding company spending. To measure the Capital Structure, several theories can be used that explain the Capital Structure in a company. Several theories that explain the capital structure include:

a. Modigliani-Miller (MM) Theory. This theory of capital structure was put forward by Modigliani and Miller in 1958, has the basis of thinking with the following assumptions:
    1) No personal and corporate tax
    2) Business risk can be measured by EBIT standard deviation and companies that have the same level of business risk are considered to have a homogeneous risk class
    3) Managers and all investors have the same information (symmetric information) about the company's future prospects

4) Stocks and bonds are traded in perfect market conditions. There are no fees for stock brokers (brokers) and all investors, both individuals and institutions, can borrow funds at the same interest rate as the company's loan interest rate.
5) There is no risk on corporate and personal debt so the interest rate on debt is a risk-free interest rate
6) No bankruptcy fees

b. Trade-Off Theory. According to the trade-off theory, companies will try to balance the benefits of funding by using debt with high-interest rates and the costs of bankruptcy. If there is a shift in the level of financial leverage until it passes the point of optimal capital structure, then the cost of bankruptcy will exceed the tax benefits, so the value of the company will decrease.
c. Agency Cost Theory. It is possible that due to differences in interests between company managers, shareholders, and creditors related to company profits, it is necessary to have an agent who is expected to be able to mediate any issues/disputes of interest between parties in a more objective manner. The impact will be agency costs that must be borne by the company. For example, supervision fees, auditors, legal assistance (Putri J, 2016).

Capital Structure Relationship with Stock Price

Capital structure is one of the important factors that must be considered by investors to invest. Companies that have a good capital structure, have a good corporate reputation and affect shares. The better the capital structure in a company, the higher the stock price will be. With a high stock price, the company will have a high opportunity to attract investors to invest (Hanafi, 2019).

Profitability and Relationship with Stock Price

Profitability is the company's ability to generate profits from invested capital. Profit is a capital increase (net assets) that comes from side transactions or infrequent transactions of a business entity and from all other events carried out by the business entity during the period, except those that arise from income or owner investment (Anggraini, 2018). There are several ways to measure the size of profitability, including:

a. Return On Assets (ROA). Return on Assets is the company's ability to use all of its assets to generate after-tax profits. This ratio is important for management to evaluate the effectiveness and efficiency of the company in managing all company assets. The greater the ROA, the greater the use of company assets in other words with the same amount of assets, usually greater profits are generated, and vice versa (Kasmir, 2011).
b. Return On Equity (ROE). Return On Equity is a ratio to measure net profit after tax with own capital. This ratio shows the efficiency of the use of own capital. The higher this ratio, the better. This means that the owner of the company is getting stronger, and vice versa. The formula to find ROE can be used as follows (Kasmir, 2011).
c. Earnings Per Share (EPS). Earnings per Share (EPS) or also called the book value ratio, is a ratio to measure the success of management in achieving profits for shareholders. A low ratio means that management has not succeeded in satisfying shareholders, on the contrary, with a high ratio, the welfare of shareholders increases in another sense, that the rate of return is high. The formula for calculating earnings per share is as follows (Kasmir, 2011).

Profitability describes the ability of a company to earn a profit in other words a measure of the effectiveness of the company's management. The company's ability to earn profits can be measured through its capital to all funds invested in the company (Wulandari A. I., 2019). The increase in profit resulted in a high share price. The overall decrease in assets resulted in an increase in ROA which then increased stock prices. The increase in profit resulted in a high share price. So based on the explanation above, with high profitability, the stock price will be high and vice versa if the profitability is low, the stock price will also be low (Yunior, 2021).

Stock Price

Understanding Share Prices. The share price is the value of a share that reflects the wealth of the company that issued the shares, where changes or fluctuations are largely determined by the forces of supply and demand that occur in the stock market (secondary market). The more investors who want to buy or hold the stock, the

higher the price. Conversely, the more investors who want to sell or release a stock, the price will move down (Sulia, 2017).

Factors Affecting Stock Prices. The factors that influence the change in the share price are the internal factor and the external factor. Internal factors that affect change in share price are fundamental factors, including Return On Asset (ROA), Return On Equity (ROE), Debt To Asset Ratio (DAR), Book Value per Share (BVS), Price Book Value (PBV), Earning Per Share (EPS). While the external textual factors include inflation, interest rates, and exchange rates (Putri S. M., 2019).

C. METHODOLOGY

This type of research is field research using a quantitative approach using statistical tools and hypothesis testing. The population used is property and real estate companies listed on the Indonesia Stock Exchange from 2016-2020. The sampling technique in this study used non-probability sampling. One of the techniques contained in non-probability sampling is a purposive sampling technique. In this research, the author has determined the following criteria:

Table 1. Sample Criteria

Criteria	Total
Property and real estate sector companies on the Indonesia Stock Exchange 2016-2021	86
Property and real estate sector companies that are not listed on the Indonesia Stock Exchange in a row from 2016-2021	(39)
Companies whose financial statements have not been audited consecutively from 2016-2021	(15)
Number of samples	32

Of the 86 Property and Real Estate companies listed on the Indonesia Stock Exchange in 2016-2021, only 32 companies meet the specified sample criteria, while 54 more companies do not meet the sample criteria requirements. The dependent variable of this research is the stock price. The stock price is the value of a share that reflects the wealth of the company that issued the shares, where changes or fluctuations are largely determined by the forces of supply and demand that occur in the stock market (secondary market). (Sulia, 2017). In this study, researchers

measure stock prices by looking at the Closing Price which is the final result of the stock price in a company. The independent variables in this study are capital structure and profitability.

Data testing was carried out using statistical techniques, namely using SPSS 22 for Windows, with the following test, the classical assumption tests used in this study are: Normality Test (Nanincova, 2019), Multicollinearity Test (Ayuwardani, 2018), Heteroscedasticity Test (Yuwono, 2017), Autocorrelation Test (Sunyoto, 2012).

Multiple linear regression testing is used to see the relationship between two or more independent variables (X1, X2,…., Xn) with the dependent variable (Y) and to see if there is a causal relationship between the two variables, how much influence between the independent variables on the variable. dependent. (Stawati, 2020). This model is used to determine the magnitude of the influence of the independent variable on the dependent variable with the following equation (Kadafi, 2019):

$$Y = a + b_1X_1 + b_2X_2$$

Description: Y : Stock Price
a : Constant
b_1, b_2 : Coefficient of Regression Direction
X_1 : Capital Structure
X_2 : Profitability

The hypothesis test of this research is the partial test (t-Test), the t statistic test shows how far the influence of one independent variable individually in explaining the dependent variable (Nurcahyo, 2018). If t-count > t-table or t-test significant value <0.05, it can be concluded that individually the independent variable has a significant effect on the dependent variable (Nurcahyo, 2018). Simultaneous test (F Test), the F-test shows whether all the independent variables included in the model have a joint effect on the dependent variable. The test is carried out using a significance level of 0.05 (a = 5%) (Kadafi, 2019).

The coefficient of determination essentially measures how far the model's ability to explain variations in the dependent variable is. The value of the coefficient of determination is between zero and one. A small value of R2 means that the ability of the independent variables in explaining the variation of the dependent variable is very limited. If the value is close to one, it means that the independent variables

provide almost all the information needed to predict the variation of the independent variable (Kadafi, 2019).

D. RESULT AND ANALYSIS

Classic assumption test

Researchers do data transformation because when doing normality tests the data is not normally distributed. Data transformation is one way to normalize the data by changing the measurement scale of the original data into another form that still has the same value so that the data can meet the classical assumption test criteria. The results of the normality test with Kolmogrof-Smirnov (K-S) shows that the data is not normally distributed. There are several ways to change the regression model to normal, such by transforming the data, for example:

a. Convert data to the root (SQRT), logarithmic (LOG), or natural (Ln) form
b. Do trimming, which is removing outlier data
c. Perform winsoring, which is changing the outlier data value to a certain value. . (Sirait, 2017)

To change the residual value so that it is normally distributed, the researcher transforms the data into a natural model (Ln). The results of the classical assumption test are as follows:

1. Normality Test. The test criteria for the Kolmogorov-Smirnov test are the probability value (sig) > 0.05, then the data is normally distributed, while the probability value (sig) < 0.05, then the data is not normally distributed (Nanincova, 2019).

Table 2. Normality Test Result *One-Sample Kolmogorov-Smirnov Test*

			Unstandardized Residual
N			192
Asymp. Sig. (2-tailed)			.001[c]
Monte Carlo Sig. (2-tailed)	Sig.		.103[d]
	99% Confidence Interval	Lower Bound	.095
		Upper Bound	.111

Source: SPSS Processing Version 22

Based on the normality test table, it can be seen that asymp.sig (2-tailed) shows a value of 0.001 <0.05. so it can be concluded that the regression model does not meet the assumption of normality, because the data has an abnormal distribution. To meet the assumption of normality, the research for the normality test uses another option, namely the Monte Carlo method. After doing the normality test with the Monte Carlo Sig. (2-tailed) the resulting significant t-value is 0.111 > 0.05, so it can be concluded that the regression model meets the assumption of normality because the data has a normal distribution.

2. Multicollinearity Test. If the VIF value is less than 10 and the Tolerance is more than 0.1, there is no multicollinearity. If the VIF value is more than 10 and the Tolerance is less than 0.01 then multicollinearity occurs. (Ayuwardani, 2018)

Table 3. Multicollinearity Test Result
Coefficients[a]

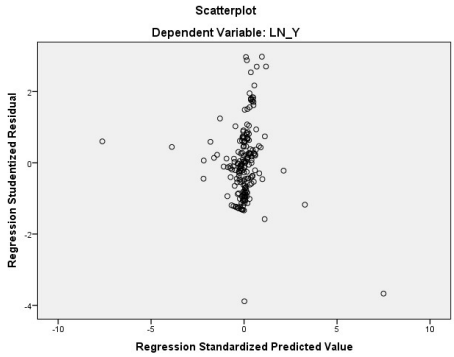
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	LN_X1	1.000	1.000
	LN_X2	1.000	1.000

Data source: SPSS Processing Version 22

Based on the table above, it can be seen that LN_X1 (DER) and LN_X2 (ROE) have a tolerance value of more than 0.1. LN_X1 (DER) and LN_X2 (ROE) have the same tolerance value, namely 1,000 or 1. While the VIF value for LN_X1 (DER) and LN_X2 (ROE) is less than 10. The VIF value for LN_X1 (DER) and LN_X2 (ROE) has the same VIF value, namely 1,000 or 1. Thus, it can be concluded that there is no multicollinearity symptom of each independent variable.

3. Heteroscedasticity Test. If the points on the graph form certain patterns such as wavy, widening, and then narrowing, then there is an indication of heteroscedasticity. If the points on the graph do not have a certain pattern and the points spread below the number 0 on the heteroscedasticity (Priyatno, 2004).

Picture 1. Heteroscedasticity Test Result



Based on the picture above, it can be seen that the spread of dots spreads and does not form certain patterns. The points spread above and below the number 0 on the Y axis, so it can be concluded that there is no heteroscedasticity problem.

4. Autocorrelation Test. There is a positive autocorrelation, if the DW value is below -2 (DW < - 2). There is no autocorrelation, if DW is between -2 and +2. There is a negative autocorrelation if the DW value is above +2

Table 4. Autocorrelation Test Result
Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.210[a]	.044	.034	1.46647	.744

Based on the table above, it can be seen that the Durbin-Watson value of 0.744 this value is between -2 and +2, so it can be concluded that there is no autocorrelation in the regression model in this study.

Multiple Linear Regression

$$LN\_Y = a + b_1 LN\_X_1 + b_2 LN\_X_2$$

Description :

LN_Y : Stock Price

a : Constant

b_1,b_2 : Coefficient of Regression Direction

LN_X_1 : Capital Structure

LN_X_2 : Profitability

Table 5. Multiple Linear Analysis

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.950	1.627		3.656	.000
	LN_X1	.411	.192	.152	2.135	.034
	LN_X2	-.600	.296	-.144	-2.025	.044

Source: SPSS Processing Version 22

From the table above, it can be seen that the constant value is 5.950, the variable value LN_X1 (DER) is 0.411, and the variable LN_X2 (ROE) is negative namely -0.600. The value of each of these variables is then distributed in the form of an equation:

Share Price = 5,950 + 0,411LN_X1 – 0,600LN_X2

The explanation of the regression equation above is as follows:

a : The constant of 5.950 means that if the variables LN_X1 (DER) and LN_X2 (ROE) are 0, then the share price is 5.950.

$B_1LN\_X_1$: The regression coefficient value LN_X1 (DER) is 0.411, indicating that if DER increases by 1%, the total stock price will increase by 0.411, assuming that other variables have a fixed value.

$B_2LN\_X_2$: The regression coefficient value LN_X2 (ROE) is negative, which is -0.600 indicating that if ROE increases by 1%, the total share price will decrease by 0.600, assuming that other variables have a fixed value.

T-test. With the following conditions:

a. $t_{count} > t_{table}$ or significant <0.05 then Ho is rejected and Ha is accepted, meaning that the independent variable significantly affects the dependent variable.

b. $t_{count} < t_{table}$ or significant > 0.05 then Ho is accepted and Ha is rejected, meaning that the independent variable does not significantly affect the dependent variable. (Nurcahyo, 2018)

Table 6. T Test Result

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.950	1.627		3.656	.000
	LN_X1	.411	.192	.152	2.135	.034
	LN_X2	-.600	.296	-.144	-2.025	.044

Data source: SPSS Processing Version 22

To determine the value of the t table, we start by looking for the probability value. Then look for the value of degrees of freedom (df = n-k), where n is the number of samples and k is the number of dependent and independent variables. So /2, (n-k) = 0.05/2 = 0.025 , (192-3 = 189). So, the value of t table is 1.97260

a. Effect of DER (LN_X1) on stock prices. From the table above, it can be seen that LN_X1 (DER) has a positive influence on stock prices. With the t value of the LN_X1 (DER) variable of 2.135 and a significant value of 0.034, t arithmetic > t table (2.135 > 1.97260) and significant < 0.05 (0.034 < 0.05), it can be concluded that LN_X1 (DER) has a positive and significant effect on stock prices (Ho1 is rejected and Ha1 is accepted).
b. Effect of ROE (LN_X2) on stock prices. From the table above, it can be seen that LN_X2 (ROE) has a negative effect on stock prices. With a t-count value of the LN_X2 (ROE) variable t of -2.025 and a significant value of 0.044, t-count > t table (2.025 > 1.97260) and significant <0.05 (0.044 <0.05), so it can be concluded that LN_X2 (ROE) has a negative and significant effect on stock prices (Ho2 is rejected and Ha2 is accepted).

F test. The test is carried out using a significance level of 0.05 (a = 5%). (Kadafi, 2019). The conditions for accepting or rejecting the hypothesis are as follows:

a. $F_{count} < F_{table}$ or significant > 0.05. Ho is accepted and Ha is rejected, meaning that the independent variable simultaneously or simultaneously does not significantly affect the dependent variable.

b. $F_{count} > F_{table}$ or significant < 0.05. Ho is rejected and Ha is accepted, meaning that the independent variables simultaneously or jointly affect the dependent variable significantly. (Nurcahyo, 2018)

Table 6. F Test Result

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.773	2	9.386	4.365	.014[b]
	Residual	406.454	189	2.151		
	Total	425.227	191			

Data source: SPSS Processing Version 22

In determining the value of F table, you must first determine df1 and df2. The formula is: df1 = k-1 and df2 = n-k, where k is the number of independent and dependent variables, n is the number of samples. With df1 = 3-1 = 2 and df 2 = 192-3 = 189, the F table value obtained is 3.04.

Based on the F test table, it can be seen that the calculated F value is 4.365 and the significant is 0.014 because the calculated F value is larger than the F table (4.365 > 3.04) and is significantly smaller than 0.05 (0.014 < 0.05) so it can be concluded that LN_X1 (DER) and LN_X2 (ROE) can jointly affect the stock price or jointly affect the stock price significantly (Ho3 is rejected and Ha3 is accepted)

Coefficient of Determination

The coefficient of determination essentially measures how far the model's ability to explain variations in the dependent variable is. (Kadafi, 2019).

Table 7. Coefficient of Determination

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.210[a]	.044	.034	1.46647	.744

Data source: SPSS Processing Version 22

Based on table 10 above, it can be seen that the adjusted R square result is 0.034. So, it can be concluded that LN_X1 (DER) and LN_X2 (ROE) can affect stock prices by 3.4% in property and real estate sector companies, while the remaining 96.6% is influenced by other variables outside the study. Internal factors that can influence changes in stock prices are fundamental factors, including Return On Assets (ROA), Return On Equity (ROE), Debt To Asset Ratio (DAR), Debt To Equity Ratio (DER), Book Value Per Share (BVS), Price Book Value (PBV), and Earning Per Share (EPS). While external factors include inflation, interest rates, and exchange rates.

Effect of Capital Structure (DER) on Stock Prices

Based on the results of the t-test of the capital structure variable (DER), the t-count value of 2.135 is greater than the t-table value of 1.973 (2.135 > 1.97260) and a small significant value of 0.05, namely 0.034 (0.034 < 0.05). So Ho1 is rejected and Ha1 is accepted, so it can be concluded that the capital structure (DER) has a positive and significant effect on stock prices in 2016-2021, meaning that the higher the DER value, the higher the stock price. Theoretically, Yuniep Mujati S, et al (2016: 109) explain the Debt To Equity Ratio reveals how the use of company funding from the company's capital structure comes from debt and capital (equity). DER has a positive effect on stock prices indicating that investors pay attention to how much capital they finance the company to generate net income for them. The larger the DER, the more the capital structure of the business utilizes the funds provided by creditors to generate profits. A high DER will reduce investor interest in buying shares in the company because the company's financing is mostly done through debt. This debt has an impact on the decline in the demand for company securities and causes the share price to decline. And the higher the company's ability to pay its debts using equity which is illustrated by the low level of DER will increase the stock price because the high demand for shares on the Stock Exchange will affect the increase in stock prices.

In theory, Trimurti (2016: 99) explains that the capital structure through the Debt To Equity Ratio (DER) was chosen because it shows that the greater the total debt to total equity, the greater the company's dependence on outside parties or creditors. A high DER makes investors less interested in buying shares in the

company because the company's financing is mostly done through debt. This debt resulted in a decrease in the demand for company securities and resulted in a decrease in stock prices.

The results of this study are in line with research conducted by Sulfiyati (2016) and Suhaldi (2021), which state that the capital structure through the Debt to Equity Ratio (DER) has a positive and significant effect on stock prices. And it is not in line with research conducted by Erry Ramadhan Trimurti, et al (2016), which states that capital structure through DER does not affect stock prices in automotive companies listed on the Indonesia Stock Exchange.

The Effect of Profitability (ROE) on Stock Prices

Based on the results of the t-test of the profitability variable (ROE), the t-count value is -2.025, which is large from the t-table value of 1.973 (2.025> 1.973) and a small significant value of 0.05, namely 0.044 (0.044 <0.05). So Ho2 is rejected and Ha2 is accepted, so it can be concluded that profitability (ROE) has a negative and significant effect on the company's stock price. This means that if the ROE increases then the stock price decreases, and if the ROE decreases, then the stock price will increase.

Theoretically, (Lilik Indrawati et al., 2016) explain that the negative effect of ROE shows that the company's performance is in poor condition, this is due to the company's lack of efficiency in managing its capital, so it does not produce optimal profits. Therefore, investors' interest in the company's stock price decreases and causes the stock price to fall. The company must do to increase ROE, namely, the company must increase capital and increase the use of capital to increase profits so that ROE becomes high and will increase the company's stock price.

The results of this study are in line with those of Erick (Satryo Wibowo, et al., 2017), which state that ROE has a significant negative effect on the company's stock price. And this is not in line with research conducted by (Rahmawaty Afriani, 2019), which states that ROE does not affect stock prices in telecommunications sub-sector service companies listed on the Indonesia Stock Exchange.

Effect of Capital Structure (DER) and Profitability (ROE) on Stock Prices

Based on the results of the F test, the calculated F value of the F table is 4.365 > 3.04 and is significantly smaller than 0.05, i.e. 0.014 < 0.05, so Ho3 is rejected and Ha3 is accepted. So, it can be concluded that the capital structure (DER) and profitability (ROE) together can affect stock prices because these two variables are ratios that can be used as a basis for predicting stock prices. The results of this study indicate that if the capital structure (DER) and profitability (ROE) increase, the stock price will also increase. This can reflect the company's performance in good condition so that many investors will be interested in investing. The more demand for a company's shares, the stock price will also increase.

E. CONCLUSION

Based on the research that has been done, the following conclusions can be drawn: The Effect of Capital Structure through the Debt to Equity Ratio (DER) on stock prices shows that Capital Structure (DER) has a positive and significant effect on stock prices of companies in the Property and Real Estate sector in 2016-2021. With t arithmetic > t table (2.135 > 1.97260) and a significance value of 0.034 < 0.05. The effect of Profitability through Return on Equity (ROE) on stock prices shows that Profitability (ROE) has a negative and significant effect on the stock prices of companies in the Property and Real Estate sector in 2016-2021. With t arithmetic > t table (2.025 > 1.973) and a significance value of 0.044 < 0.05. The effect of Capital Structure through Debt Equity Ratio (DER) and Profitability through Return on Equity (ROE) on Stock Prices shows that Capital Structure through Debt to Equity Ratio (DER) and Profitability through Return on Equity (ROE) together may affect the Share Price of Property and Real Estate companies in 2016-2021. With calculated F > F table (4.365 > 3.04) and a significance of 0.014 < 0.05. In the coefficient of determination test, the adjusted R square result is 0.034. So, it can be concluded that Capital Structure through Debt to Equity Ratio (DER) and Profitability through Return on Equity (ROE) can affect stock prices by 3.4% in property and real estate sector

companies, while the remaining 96.6% is influenced by variables others outside of research.

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