

RETURN ON ASSET, CURRENT RATIO, DEBT TO ASSET RATIO, AND OPERATING CASH FLOW ON STOCK PRICE OF COMPANIES LISTED IN THE JAKARTA ISLAMIC INDEX PERIOD 2016 – 2021

Nicholas Renaldo^{1*}, Intan Purnama², Cerintina³

^{1,2,3} Business Faculty, Institut Bisnis dan Teknologi Pelita Indonesia, Pekanbaru, Indonesia

*Corresponding Author: nicholasrenaldo@lecturer.pelitaindonesia.ac.id

Abstract: This study aimed to determine the effect of Return on Asset, Current Ratio, Debt to Asset Ratio, and Operating Cash Flow on the stock prices of companies listed on the Jakarta Islamic Index for the 2016 – 2021 period. The research sample was determined using the purposive sampling method so that the total sample was 12 companies. The analytical method of this research uses descriptive analysis and several types of evaluation using SPSS software. From this research, it can be concluded that only Current Ratio significantly affects stock prices. Meanwhile Return on Asset, Debt to Asset Ratio, and Operating Cash Flow do not have a significant effect on stock prices.

Keywords: Return on Asset, Current Ratio, Debt to Asset Ratio, Operating Cash Flow, Stock Price

1. Introduction

Currently, the Covid-19 pandemic has spread throughout the world. The spread of this infectious disease not only impacts people's health and lives, but also the health of the economy. This condition also affects the world stock market, including Indonesia. This also caused prices on the stock market to plummet, especially after WHO declared COVID-19 a pandemic and had a negative impact on the Indonesian economy. The current pandemic situation shows that stock markets throughout the world are experiencing rapid weakening.

Entering the era of globalization, where the development of information technology is increasingly advanced, competition in the business world has become very tight. Therefore, to maintain business continuity, companies need to increase capital by borrowing funds in the form of debt and issuing shares. To issue shares, a company needs to join the capital market. The Sharia capital market is a market whose activities relate to stock exchange offerings and trading that do not conflict with Sharia principles, this capital market is also part of the Sharia financial industry which is regulated by the Financial Services Authority (OJK) in Indonesia. The COVID-19 pandemic has affected all social activities throughout the world, both political, social, cultural, and economic. In the national economic sector, the Sharia capital market was also affected, so that all activities changed in terms of provisions or policies.

The Composite Stock Price Index (IHSG) also weakened to its lowest position. However, towards the end of 2021, the capital market is finally recovering from the impact of the pandemic.

Share prices are important for companies because share prices reflect the value of the company. If the share price of a company is high, then the company value is also high, this will create a good image in society and vice versa. It is important for companies to maintain their company values. An investor is required to be able to analyze share prices in order to avoid losses, therefore before investing, investors should not only look at the net profit earned by the company but also analyze the company's financial reports.

The Jakarta Islamic Index (JII) is the first Sharia stock index published by the Indonesian Sharia capital market, namely on July 3, 2000. The constituents of the Jakarta Islamic Index (JII) consist of 30 liquid sharia shares listed on the Indonesia Stock Exchange (BEI). The Jakarta Islamic Index (JII) constituents are carried out twice a year, namely in May and November, following the Sharia Securities List (DES) assessment schedule by the Financial Services Authority (OJK). JII can be a parameter for investors who want to make sharia investments.

In 2016 the share price was lower than the share price in 2017, where the share price of companies listed on the Jakarta Islamic Index (JII) in 2016 was 4,538.05. Then there was a movement that tended to decrease during the 2018-2021 period until it reached a price of 3608. Likewise, the IHSG share price in 2016 was lower than the IHSG share price in 2017. The decline also occurred in the following year, namely 2018 to 2020 which reached a price of 5979.07, then experienced an increase in the following year, namely 2021.

Economic conditions in Indonesia from 2019 to 2020 have not been stable. One of the causes is the pandemic or spread of the Covid-19 virus. COVID-19 was officially announced by the World Health Organization (WHO) on December 31, 2019. This pandemic also had an impact on the Indonesian economy with the decline in the Composite Stock Price Index (IHSG) on the Indonesian Stock Exchange (BEI) due to massive selling by investors. due to concerns about the Covid-19 Virus which caused shares to decline. This is proven by the decline in the Composite Stock Price Index (IHSG) from 2016 to 2020.

The Indonesian economy in 2022 will enter a new phase after conditions improved during the COVID-19 pandemic, resulting in an increase in the capital market or Composite Stock Price Index (IHSG). The Composite Stock Price Index (IHSG) in 2022 will reach 6500-7500. This is because economic conditions have increased, making it easier for investors to choose companies to invest in. Investors must be able to make the right decisions in investing in companies. In making this decision, investors must know accurate data and information regarding the company they will invest in. The data required is the company's financial reports. Therefore, it is necessary to analyze financial reports to find out the picture of a company.

Return on Assets is a ratio used to measure a company's ability to generate profits. Return on Assets or profitability is beneficial for investors and for companies because for investors this can influence investors' policies to invest in a company. According to research conducted by Kundiman (2016) and Sari (2021), Return On Assets (ROA) has a significant effect on stock prices. However, contrary to Fajrian & Sumawidjaja (2018) and Wicaksono & Sari (2019), Return On Assets (ROA) does not have a significant effect on stock prices.

The Leverage Ratio functions to measure the amount of company assets financed by debt. This ratio is also called the debt ratio which measures the percentage of the total funds provided by creditors in the form of debt to the company's total assets. With this, a company with a high Debt to Asset Ratio (DAR) value can be said to be in a bad condition, so this can affect the high and low share prices. Research conducted by Lestari & Amaniya (2021) and Pane et al. (2021) that the Debt to Asset Ratio (DAR) has a significant effect on stock prices, while research by Priliyastuti & Stella (2017) shows that the Debt to Asset Ratio (DAR) does not have a significant effect on stock prices.

Liquidity Ratio or Current Ratio (CR) is a ratio that measures the ability of a company's current assets to meet short-term obligations with the current assets it owns. Ermaya (2018:59). The higher this ratio, the greater the company's ability to pay off its short-term obligations. However, a current ratio that is too high can also indicate poor management. There are differences in the results of previous research conducted by Valentino & Sularto (2013), Kundiman (2016) and Pane et al. (2021) show that the Current Ratio (CR) has a significant effect on stock prices, but this is contrary to research conducted by Novitasari et al. (2016) and Ermaya (2018) which show that the Current Ratio (CR) does not have a significant effect on stock prices.

Cash Flow is a component that contains a number of cash inflows and cash outflows obtained from company activities in a certain period (Rinofah, 2020: 347). The issuance of PSAK 2 of 2015 stated that the amount of cash flow from operating activities was sufficient to indicate that the company did not need to rely on issuing shares or debt to external parties. This shows that the funds invested by investors are managed effectively and efficiently by the company. So that the value of the company in the eyes of investors increases and investors are interested in investing. There are differences in the results of previous research conducted by Rinofah (2020), Badri (2016) and Ismail et al. (2020) shows that operating cash flow has a significant effect on share prices, while research conducted by Ayu & Wirman (2021) shows that operating cash flow does not have a significant effect on share prices.

Due to differences in research results from researchers, research was carried out on the influence of Return on Assets (ROA), Current Ratio (CR), Debt to Asset Ratio (DAR), and Operating Cash Flow on Stock Prices in the Jakarta Islamic Index (JII) Period. 2016 – 2021.

2. Literature Review

Signaling Theory

Signaling Theory is management's action in providing signals regarding the company's condition to the parties concerned. One type of information released by a company that can be a signal for investors is an annual report in the form of financial report information. The announcement of accounting information from management will provide a signal as good news or bad news. A good news signal indicates that accounting information provides a signal that the company has good prospects in the future and a bad news signal indicates that the company has bad prospects in the future. If the signal published is good news, then the signal can have the effect of increasing share prices. However, if the signal published is bad news, it can reduce share prices (Puspita, 2015:69).

Stock Price

The share price is the price of a share that occurs on the stock market at a certain time determined by market players as well as the demand and supply of the shares concerned in the capital market (Elwisam, 2018:49). The share price represents the value of a company. If the company achieves good performance, of course, the company's shares will attract interest from many investors (Sudarno et al., 2022). High or low share prices also reflect capital investment decisions, including funding decisions and asset management (Nenobais et al, 2022:11)

Return On Assets

Return on Assets (ROA) is a comparative ratio in determining a company's national capability to create profits obtained through capital activities (Asif & Aziz, 2016).

This ratio is used as a measure of management capability as long as it gets the profit the company wants, and the company's position will improve from the perspective of asset use. (Nenobais et al, 2022:12).

Current Ratio

Current Ratio or liquidity ratio is an indicator of a company's ability to pay its short-term financial obligations at maturity using the current assets it has (Marsha & Murtaqi, 2017). If the company's liquidity position is high, the company is able to fulfill its short-term obligations (Syamsuddin, 2009:41).

Debt To Asset Ratio

The Debt to Asset Ratio indicates how many units of total assets are used (Ibrahim & Panjaitan, 2020). It can also be said how large the portion of debt is compared to assets. The portion of debt over assets must be as minimal as possible to obtain a safe ratio. (Wangdra & Barelang, 2019:77).

Operating Cash Flow

Operating cash flow is cash flow that is directly related to the production and sales of the company's products and services (Renaldo et al., 2023). Operating cash flow is measured using the formula input cash flow minus output cash flow from operating activities. The cash flow report is produced from cash flows from investment, operating, and financing activities in a certain period. (Badri, 2016).

Relationships Between Variables and Hypotheses

The Effect of Return on Assets (ROA) on Sharia Stock Prices

Return on assets (ROA) is a ratio used to see a company's ability to generate profits from the management of its assets. This means that the higher the ROA value, the higher the profit the company will generate. High profits will attract investors' interest in investing their capital so that an increase in the ROA value will have an impact on increasing profits, followed by an increase in demand for shares, which is then followed by an increase in share prices (Maryani & Zakaria, 2020: 194).

Research by Andrean (2014), Kundiman (2016) and Sari (2021) shows that the results of Return on Assets (ROA) have a positive effect on stock prices, while research conducted by Valantino & Sularto (2013), Fajrian & Sumawidjaja (2018), and Wicaksono & Sari (2019) show that Return on Assets (ROA) results have no effect on stock prices. Based on the description above, the following hypothesis is proposed:

H1: There is a positive influence between Return On Assets (ROA) on the Sharia share prices.

The Effect of Current Ratio (CR) on Sharia Stock Prices

Elwisam (2018:47) suggests that the higher the current ratio of a company, the higher the company's ability to pay its short-term obligations, so the lower the risk of default faced by the company. This will give investors confidence to invest their capital in the company, so that demand for the company's shares will increase.

As a result, the company's share price will also increase along with increasing market demand for these shares. This shows that the current ratio has a positive influence on share prices.

This is in line with research conducted by Valantino & Sularto (2013) and Priliyastuti & Stella (2017) which shows that the current ratio has a positive and significant effect on stock prices. However, this is contrary to the research results of Novitasari et al. (2016) and Ermaya (2018) which show that the current ratio has no significant effect on stock prices. Based on the description above, the following hypothesis is proposed:

H2: There is a positive influence between the Current Ratio (CR) on the sharia share prices.

The Influence of Debt To Asset Ratio (DAR) on Sharia Stock Prices

Dody (2021) stated that the debt to asset ratio shows the company's ability to pay all its obligations, both long-term and short-term obligations. If the company can pay all its debts without experiencing a deficit, then the company's performance can be said to be good, so investors will have confidence in investing their capital in the company concerned.

This shows that the debt to asset ratio has a negative influence on stock prices. This is in accordance with research conducted by Priliyastuti & Stella (2017) which states that the Debt To Asset Ratio (DAR) does not have a significant effect on stock prices. Meanwhile, research conducted by Lestari & Amaniyah (2021) and Pane et al. (2021) states that the Debt to Asset Ratio (DAR) has a significant effect on stock prices. Based on the description above, the following hypothesis is proposed:

H3: There is a negative influence between the Debt to Asset Ratio (DAR) on the sharia share prices.

The Effect of Operating Cash Flow on Sharia Stock Prices

According to Ridha (2019:191) Operating cash flow is cash inflow and cash outflow related to the company's operational activities which affect the company's net profit or loss. This shows that the funds invested by investors are managed effectively and efficiently by the company. So that the value of the company in the eyes of investors increases and investors are interested in investing. Thus, demand for company shares will increase. An increase in demand will result in an increase in the company's share price.

Research conducted by Badri (2016) and Ismail et al. (2020) shows that operating cash flow has a positive effect on share prices. Meanwhile, research by Ayu & Wirman (2021) shows that operating cash flow has no effect on share prices. Based on the relationships between variables supported by the theoretical concepts above, the hypotheses tested in this research are:

H4: There is a positive influence between Operating Cash Flow on the sharia share prices of companies.

Research Framework

Based on previous theory and research, the relationship between Return On Assets (ROA), Current Ratio (CR), Debt To Asset Ratio (DAR) and Operating Cash Flow on Company Share Prices.

3. Method

Place and time of research

This research was conducted on companies listed on the Jakarta Islamic Index (JII) 2016 – 2021. This research was conducted in October 2022 until completed.

Population and Sample

The population in this research are companies registered on the Jakarta Islamic Index (JII) in 2016-2021. Based on data obtained in 2022, there are 30 companies in the population. The sampling technique used in this research was purposive sampling. The sample selection criteria are as follows:

Table 1. Sampling

No	Sampling Criteria	Total
1.	Companies listed in the Jakarta Islamic Index (JII) on the Indonesia Stock Exchange (BEI) for the 2016-2021 period	30
2.	Companies that are inconsistent are in the Jakarta Islamic Index (JII) in the 2016 – 2021 period	(18)
Total Sample		12

Source: Processed Data, 2022

Operationalization of Research Variables

In this research, the independent variables and dependent variables that will be used consist of:

Return On Asset (X1)

Return On Assets can be calculated using the formula (Sari, 2021), namely:

$$ROA = \frac{\text{Earning After Tax}}{\text{Total Aset}}$$

Current Ratio (X2)

Current Ratio can be calculated using the formula (Ermaya, 2018), namely:

$$CR = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Debt To Asset Ratio (X3)

Debt To Asset Ratio can be calculated using the formula (Priliyastuti & Stella, 2017), namely:

$$DAR = \frac{\text{Total Debt}}{\text{Total Assets}}$$

Operating Cash Flow (X4)

Operating Cash Flow can be calculated using the formula (Badri, 2016), namely:

$$OCF = \frac{\text{Operating Cash Flow}}{\text{Total Assets}}$$

Share Price (Y1)

Share Prices can be calculated using Closing Price (Priliyastuti & Stella, 2017).

Data Analysis Technique

Descriptive Analysis

Descriptive analysis provides a description or description of data seen from the average (mean), standard deviation, variance, maximum, and minimum values (Ghozali, 2013). This analysis is used using descriptive statistics which will produce average values and standard deviation, maximum, and minimum to describe and describe research variables so that they are easy to understand.

Classic assumption test

The classical assumption tests carried out in this research are normality, autocorrelation, heteroscedasticity, and multicollinearity tests. The results of classical assumption testing show that the data used in this research have passed the classical assumption testing, namely normality, autocorrelation, heteroscedasticity, and multicollinearity tests.

Multiple Linear Regression Analysis

This research uses multiple linear regression analysis, namely regression which discusses the relationship between the dependent variable and the independent variable, namely:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e$$

Information:

Y : Share Price
a : Constant

b	:	Regression Coefficient
X1	:	Return On Asset (ROA)
X2	:	Current Ratio (CR)
X3	:	Debt to Asset Ratio (DAR)
X4	:	Operating Cash Flow
e	:	Standard Error

Model Test / F Test

The F test is the initial stage of identifying a regression model that is estimated to be feasible (reliable) or not. This means that the model is estimated to be suitable for use to explain the influence of the independent variables on the dependent variable. If the calculated F value with probability (SPSS output shown in the sig column), is smaller than the error rate ($\alpha = 0.05$), then it can be said that the model is not a significant explanation of the dependent variable, if the calculated F value with probability is more If the error rate is greater than 0.05, it can be said that the regression model is a significant explanation of the dependent variable.

Coefficient of Determination Test

The coefficient of determination is a measure to determine the suitability or accuracy between the estimated value or regression line and the sample data. If the correlation coefficient value is known, then the coefficient of determination can be obtained by squaring it. For every additional independent variable, R^2 will increase regardless of whether that variable has a significant effect on the dependent variable.

If the coefficient of determination detects zero, then the influence of the independent variable on the dependent variable is weak. If Kd detects one, then the influence of the independent variable on the dependent variable is strong.

Partial Test (T-Test)

Hypothesis testing was carried out through regression using the SPSS program by comparing the significance level of each independent variable with a sig level of $\alpha = 0.05$. If the significance level is smaller than $\alpha = 0.05$, then the hypothesis is accepted, which means that the independent variable has a significant effect on the dependent variable.

On the other hand, if the significance level is greater than $\alpha = 0.05$, then the hypothesis is not accepted, which means that the independent variable does not have a significant effect on the dependent variable.

4. Result and Discussion

Return On Assets (ROA)

The results of descriptive statistics show that the highest value of ROA is 0.467, and the lowest value is -0.07. The average value is 0.108. The Standard Deviation Value of Return on Assets is 0.095.

Current Ratio (CR)

The results of descriptive statistics show that the highest CR value is 4.967, and the lowest value is 0.606. The average value is 2.015. The Standard Deviation Current Ratio value is 1.197.

Debt to Asset Ratio (DAR)

The results of descriptive statistics show that the highest value of DAR is 0.773, and the lowest value is 0.126. The average value is 0.430. The standard deviation value of the debt to asset ratio is 0.172.

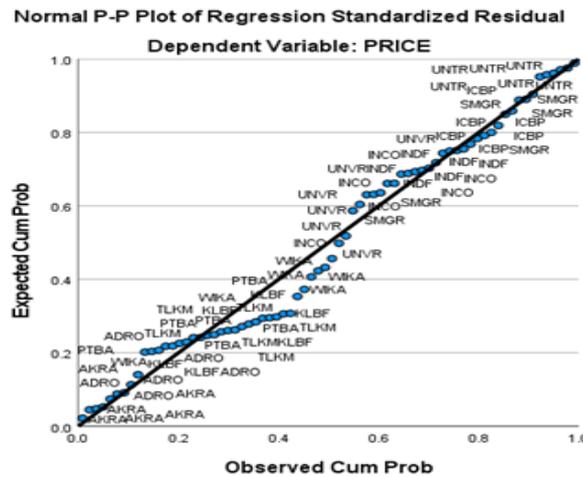
Operating Cash Flow

The results of descriptive statistics show that the highest value for Operating Cash Flow is 1.987, and the lowest value is -0.101. The average value is 0.680. The Standard Deviation Value of Operating Cash Flow is 0.447.

Stock Price

The results of descriptive statistics show that the highest value for share price is 35,400, and the lowest value is 636. The average value is 6,467. The Standard Deviation Value of Share Prices is 6,874.

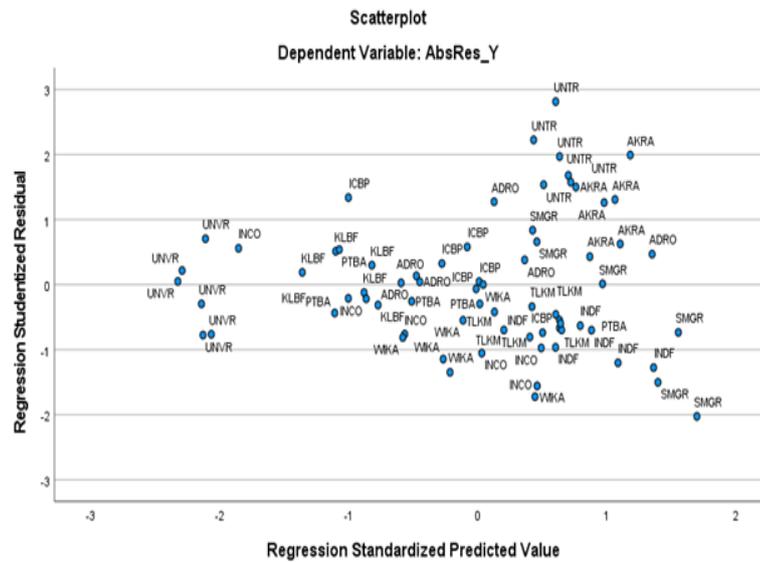
Normality test



Source: SPSS Version 27 Output
Figure 2. Normality Test Results (P-Plot)

It can be seen in the P-plot graphic display above that the distribution of data or points is near the diagonal line so it can be concluded that the research data is normally distributed.

Heteroscedasticity Test



Source: SPSS Version 27 output, 2022
Figure 3. Heteroscedasticity Test Results

By looking at the scatterplot graph above, you can see that the points are spread randomly and are spread both above and below the number 0 (zero) on the Y axis. So it can be concluded that there are no symptoms of heteroscedasticity in the regression model used.

Multicollinearity Test

Table 2. Multicollinearity Test Results

Model	VIF
1	
(Constant)	
ROA	1.456
CR	3.552
DAR	4.586
OCF	2.089

a. Dependent Variable: PRICE
Source: SPSS Version 27 output, 2022

From the table 2, it can be seen that the independent variable has a Variance Inflation Factor (VIF) value < 10 and a Tolerance limit > 0.10. So it can be concluded that there is no multicollinearity in the research variables used.

Autocorrelation Test

Table 3. Autocorrelation Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.355 ^a	.126	.074	.9263863	2.111

Source: SPSS Version 27 output, 2022

From the table 3, it can be seen that the DW value can be found to be 2.111, this value will be compared with the significance table value of 5%, with a sample size of 72 (n) and a number of independent variables of 4 (k = 4), then a du value of 1 is obtained. 7366, and the DW value of 2.111 is greater than du, namely 1.7366 and less than (4-du) or 4 - 1.7366 = 2.2634. So it can be concluded that there is no autocorrelation.

Multiple Linear Regression Analysis

Table 4. Results of Multiple Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
(Constant)	9.798	.941		10.417	.000	
1	ROA	1.611	1.390	.160	1.159	.250
	CR	-.435	.173	-.541	-2.512	.014
	DAR	-2.101	1.367	-.376	-1.537	.129
	AKO	.185	.356	.086	.522	.604

a. Dependent Variable: PRICE

Source: SPSS Version 27 output, 2022

From the table 4, the following multiple linear regression model is obtained:

$$Y = 9,798 + 1,611X_1 - 0,435X_2 - 2,101X_3 + 0,185X_4 + e$$

Coefficient Determination

From table 3, it can be seen that the coefficient of determination (Adj. R²) is 0.074. This means that the contribution of Return On Assets (ROA), Current Ratio (CR), Debt To Asset Ratio (DAR), and Operating Cash Flow to Share Prices is 7.4%, while the remaining 92.6% is explained by other variables not included in study.

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Tabel 5. T-test Result

Variable	Sig.	α	Result
Return On Asset (X1)	0.250	0.05	Not Significant
Current Ratio (X2)	0.014	0.05	Significant
Debt To Asset Ratio (X3)	0.129	0.05	Not Significant
Operating Cash Flow (X4)	0.604	0.05	Not Significant

Source: SPSS Version 27 output, 2022

The Influence of Return On Assets (ROA) on the Share Prices of Companies listed on the Jakarta Islamic Index (JII)

Based on the test results presented in Table 7, it can be seen that the significance value of the ROA variable is $0.250 > 0.05$ and this shows that the Return On Assets (ROA) variable has no significant effect on the share prices of companies listed on the Jakarta Islamic Index for the year period. 2016-2021. Therefore, it means that H₀ is accepted and H₁ is rejected.

The influence of Current Assets (CR) on the share prices of companies listed on the Jakarta Islamic Index (JII)

Based on the test results presented in Table 7, it can be seen that the significance value of the CR variable is $0.014 < 0.05$.

This shows that the Current Ratio (CR) variable has a significant effect on the share prices of companies listed on the Jakarta Islamic Index for the 2016-2021 period. Therefore, it means that H₀ is rejected and H₁ is accepted.

The influence of Debt To Asset Ratio (DAR) on the share prices of companies listed on the Jakarta Islamic Index (JII)

Based on the test results presented in Table 7, it can be seen that the significance value of the DAR variable is $0.129 > 0.05$. This shows that the Debt To Asset Ratio (DAR) variable has no significant effect on the share prices of companies listed on the Jakarta Islamic Index for the 2016-2021 period. Therefore, it means that H₀ is accepted and H₁ is rejected.

The Effect of Operating Cash Flow on Share Prices of Companies Listed on the Jakarta Islamic Index (JII)

Based on the test results presented in Table 7, it can be seen that the significance value of the Operating Cash Flow variable is $0.604 > 0.05$. This shows that the Operating Cash Flow variable does not have a significant effect on the share prices of companies listed on the Jakarta Islamic Index for the 2016-2021 period. Therefore, it means that H_0 is accepted and H_1 is rejected.

Discussion of Research Results

The Effect of Return On Assets (ROA) on Share Prices

Based on the results of research that has been carried out, it can be concluded that Return On Assets (ROA) does not have a significant effect on share prices. This can be seen in the average data for the ROA variable and share prices, which fluctuate up and down every year in share prices from 2016 to 2021. So it can be concluded that every increase in ROA does not necessarily mean that share prices will also increase and may even decrease. Conditions like this illustrate that the company's ability to earn profits and to control all operational and non-operational costs is very low so it has little influence on share prices.

The results of this research are in line with research conducted by Valentino & Sularto (2013), Fajrian & Sumawidjaja (2018), and Wicaksono & Sari (2019) which show that Return on Assets (ROA) results have no effect on stock prices, whereas the research conducted by Andrean (2014), Kundiman (2016) and Sari (2021) who concluded that Return on Assets (ROA) has a positive effect on stock prices.

The Effect of Current Ratio (CR) on Stock Prices

Based on the results of research that has been carried out, it can be concluded that the Current Ratio (CR) has a significant positive effect on stock prices. This shows that the value of the company's short-term debt is very low compared to the company's current assets so the current ratio value tends to increase every year. This means investors see the Current Ratio (CR) as a decision to buy shares.

The results of this research are in line with research conducted by Valentino & Sularto (2013) and Priliyastuti & Stella (2017) which shows that the current ratio has a positive and significant effect on stock prices. However, this is contrary to the research results of Novitasari et al. (2016) and Ermaya (2018) which show that the current ratio has no significant effect on stock prices.

The Effect of Debt To Asset Ratio (DAR) on Stock Prices

Based on the results of the research that has been carried out, it can be concluded that the Debt To Asset Ratio (DAR) does not have a significant effect on stock prices. This is because the higher the DAR of a company, the lower the company's share price will be because the greater debt costs can reduce the company's profitability. Decreasing company profits will cause investor demand for shares to decrease, which will then cause share prices to decline further. This is in accordance with research conducted by Priliyastuti & Stella (2017) which states that the Debt To Asset Ratio (DAR) does not have a significant effect on stock prices. Meanwhile, research conducted by Lestari & Amaniyah (2021) and Pane et al. (2021) states that the Debt to Asset Ratio (DAR) has a significant effect on stock prices.

The Effect of Operating Cash Flow on Stock Prices

Based on the results of research that has been carried out, it can be concluded that Operating Cash Flow does not have a significant effect on share prices. This is caused by the lower the operating cash flow, the lower the share price will be. Fluctuating operating cash flows indicate

that the company's performance is quite good even though it is susceptible to a high level of risk. The current uncertain economic conditions generally mean that the prices of basic commodities such as fuel, electricity, and others continue to rise, the level of receivables turnover is undisciplined, and company sales and profits are decreasing. This means that the company should make more efficient operational costs and make the company's receivable turnover more effective in order to avoid the risk of losses arising from operating cash flow. This is in line with research conducted by Badri (2016) and Ismail et al. (2020) shows that operating cash flow has a positive effect on share prices. Meanwhile, research by Ayu & Wirman (2021) shows that operating cash flow has no effect on share prices.

5. Conclusions

From testing the results of the hypothesis carried out, the research results can be concluded that Return On Assets (ROA), Debt To Asset Ratio (DAR), and Operating Cash Flow do not have a significant effect on Stock Prices. Only the Current Ratio variable has a significant effect on stock prices.

Based on the research that has been carried out, there are still several limitations, including considering that the research results show that only the Current Ratio has a significant influence on share prices, it is hoped that further research can add other variables, in order to find out what factors can influence Stock price. It is hoped that every investor who wants to invest with the aim of profit is careful when making decisions to invest in companies listed on the Jakarta Islamic Index (JII) and should also pay attention to other financial ratios and other factors not mentioned in the research. The results of this research prove that only the CR ratio has an influence on share prices, while the ROA, DAR, and Operating Cash Flow ratios do not have a significant influence on share prices.

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