The Effect of Financial Performance on Stock Prices of Food and Beverage Sector Companies

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Abstrak
The purpose of this study was to determine the effect of liquidity, total asset turnover and firm size on stock prices. Secondary data collected by sample from food and beverage sector companies listed on the Indonesian stock exchange for the period 2017 – 2020. Sampling in this study using the purposive sampling method with the criteria as (1) listed on the Indonesia Stock Exchange in 2017 - 2020. (The data needed in this study taken from the Indonesian Capital Market Directory (ICMD) 2017-2020. Statistical tests carried out by t-test and linear regression analysis Before this test, the classical assumption test was carried out. The results of the study showed that firm size had a positive effect on stock prices, while liquidity and total asset turnover had no effect on stock prices.

Kata Kunci: stock price, liquidity, total asset turnover, company size

INTRODUCTION

Stock ownership is an important part in the development of an investor's portfolio. Investors who have the goal of getting stock returns must be good at managing their assets; therefore, they must pay attention to the difficulties of financial performance and macro factors that can affect stock returns (Rizal Rahmawan, 2020). The development of an investment portfolio requires the right measuring tools so that it can increase the investor's portfolio. Broadly speaking, there are two methods of stock valuation, namely fundamental and technical analysis. The issue of Tesla (an electric car manufacturer) which has entered into a non-disclosure agreement (NDA) or a confidentiality agreement plans to build a factory in Indonesia, resulting in a spike in share prices in the mining sector.

In other research results, there are several measures that can determine the choice of investors in choosing their investments, (Pratama & Nur, 2021) explaining that stock returns are not influenced by beta and size. Meanwhile, stock returns positively influenced by investment decisions. Then, investment decisions are not able to mediate beta and size of stock returns. For this reason, researchers suggest adding and updating periods so that the resulting information becomes more up-to-date. In addition, researchers also suggest adding independent variables and intervening variables as comparisons in further research.

In this study, researchers tried to analyze stocks in terms of financial performance focusing on the food and beverage sector.

Literature review

The stock price is the value of a stock that reflects the wealth of the company that issued the stock; its changes or fluctuations largely determined by the forces of supply and demand that occur on the stock exchange (secondary market). Sell a stock, the price goes down. (Fahmi, 2018).

According to Kariyoto (2017), stating that, the Liquidity Ratio shows the relationship between cash and other current assets with current liabilities. The company's liquidity position will be closely related to the company's ability to pay off its short-term obligations. In this study, researchers used the Current Ratio analysis, which represents the calculation of the Liquidity Ratio.

Research by Rosmiati and Heru Suprihadi (2016), states that the Current Ratio (CR) partially has a positive effect on stock prices. Meanwhile, research conducted by Niawati et al (2019) showed that liquidity had no effect on stock prices.

Total asset turnover (Total Assets Turnover or TATO) is a ratio used to measure the turnover of all assets owned by the company and measure how much the amount earned for each
rupiah of the asset. The higher the ratio, the better the company. Total asset turnover is the ratio used to measure the turnover of all assets owned by the company. Zulfikar (2016)

The results of research conducted by Nur'aidawati (2018) stated that TATO has no significant effect on stock prices. The results of a different study conducted by Purba, et al (2019) stated that TATO had a significant positive effect on stock prices.

The stock price influenced by the size of the company. Usually total assets measure the size of this company. Companies that have large total assets considered to have reached the maturity stage where the company's cash flow is positive and has good prospects in the long term. Large companies have high stock prices, while small companies usually have low stock prices. According to Sukarno et al. (2020:67) company size has a positive effect on stock prices, meaning that the larger the size of the company, the higher the share price. In contrast to the research conducted by Rahma et al (2022) where company size has no effect on stock prices.

**Signaling Theory**

This research based on signaling theory, where Spence who conducted a research entitled Job Market Signaling in 1973 first proposed the signal theory. Spence (1973) stated that asymmetric information occurs in the labor market. Therefore, Spence created a signal criterion to add power to decision making.

Signal theory suggests the importance of information issued by companies to investment decisions. Information is an important element for investors and business people because information provides information on records and descriptions of the past, present and future for companies and the capital market. Complete and relevant, accurate and timely information needed by capital market investors as a tool to analyze before making a decision to invest. Information published as an announcement will provide a signal for investors in making investment decisions. If the announcement contains a positive value, it expected that the market would react when the announcement received by the market. When the information announced and market participants have received the information, market participants first interpret and analyze the information as a good signal or a bad signal. If the announcement announced as a good signal for investors, there will be a change in the volume of stock trading (Hartono, 2013).

**Stock price**

According to Zulfikar (2016), shares can defined as a sign of capital participation of a person or party (business entity) in a company or limited liability company. By including this capital, the party has a claim on the company’s income, claims on company assets, and is entitled to attend the General Meeting of Shareholders (GMS). Meanwhile, according to Fahmi (2018), shares are paper that clearly states the nominal value, company name, and followed by rights and obligations that have explained to each holder.

According to Darmadji and Fakhruddin (2012), stock prices are prices that occur on the stock exchange at a certain time. Stock prices can change up or down in such a fast time and can change in minutes and can even change in seconds. This is possible because it depends on the demand and supply between the stock buyers and the stock sellers.

Zulfikar (2016) explains that the factors that influence stock price fluctuations can come from internal and external sources. Stock prices that occur in the capital market always fluctuate from time to time. The forces of supply and demand will determine the stock price fluctuations. If the quantity supplied is greater than the quantity demanded. Internal factors include announcements about marketing, announcements of funding, announcements of the management board of directors, announcements of taking diversification, investment announcements, announcements of employment, and announcements of financial statements. External factors include announcements from the government, legal announcements, securities industry announcements, political turmoil and exchange rate fluctuations as well as various domestic and foreign issues.
**Liquidity**

According to Kariyoto (2017), stating that, the Liquidity Ratio shows the relationship between cash and other current assets with current liabilities. The company's liquidity position will closely related to the company's ability to pay off its short-term obligations. In this study, researchers used the Current Ratio analysis, which represents the calculation of the Liquidity Ratio. According to Kasmir (2016), explains that: "The current ratio measures the company's ability to meet its short-term debt by using its current assets (assets that will turn into cash within one year or one business cycle)". This ratio can formulated as follows

\[
\text{CR} = \frac{\text{Aset Lancar}}{\text{Utang Lancar}}
\]

**Total Asset Turn Over**

According to Kariyoto (2017), the Activity Ratio used to evaluate the efficiency and effectiveness of asset utilization in order to get that income. Every asset owned by the company desired to provide support to obtain profitable income. In this study, researchers used the analysis of the Total Assets Turnover ratio, which represented the calculation of the Activity Ratio. According to Kasmir (2016), argues that "total assets turnover is a ratio used to measure all asset turnover owned by the company and measure how much sales are earned per rupiah." The formula for Total Assets Turnover is:

\[
\text{TATO} = \frac{\text{Sales}}{\text{Total Aset}}
\]

**Company Size**

Company size is a scale or size that shows the size of a company. The size of the company according to Putranto and Darmawan (2018) is the scale of the company, which determined by several things, including total sales and total assets. According to Arifin and Agustami (2006), company size is a scale that can classify the size of a company. Total assets, sales and market capitalization can measure company size.

Various proxies, including total assets, sales, net worth, and market capitalization, can measure company size. In this study, firm size measured using the Natural Logarithm of Total Assets. According to Jogiyanto (2000) in Arifin and Agustami (2016), total assets considered having a more stable amount and the natural logarithm chosen to flatten the data or avoid data ranges that are too far away.

**Hypothesis**

Based on the existing problems and the objectives to achieved, the authors draw a hypothesis, namely:

**The Effect of Liquidity on Stock Prices**

The current ratio is a commonly used measure of short-term solvency. The higher this ratio, the greater the company's ability to pay short-term obligations. That is, at any time the company has the ability to pay off its short-term obligations. However, a current ratio that is too high also indicates poor management of liquidity sources. Excess in current assets should be used to pay dividends, pay long-term debt or for investments that can generate higher returns (Darsono and Ashari, 2005). Research conducted by Vivekananda et al (2019) states that liquidity has a positive and significant effect on stock prices. Based on this research, the first hypothesis is as follows.

\[
\text{H1} = \text{Effect of Liquidity on Stock Price}
\]
**Effect of Total Assets Turn Over on Stock Prices**

Total Assets Turn Over (TATO) shows the overall efficiency of the company's assets in generating sales which will increase the company's sales. This increase can encourage positive changes in stock prices because investor interest in buying company shares increases. (Princess and Yustisia, 2021).

Empirical research conducted by Purba et al (2019) TATO has a positive and significant effect on stock prices, so the second hypothesis si:

**H2 = Effect of Total Assets Turn Over on Stock Prices**

**The Effect of Inflation on Stock Prices**

According to Nurlita and Robiyanto (2018:618), the rate of return on shares is higher in large-scale companies than small-scale companies. According to Alamsyah (2019:171) the bigger the company, the bigger the investors to invest their shares compared to small companies. According to Sukarno et al. (2020:67) company size has a positive effect on stock prices, meaning that the larger the size of the company, the higher the stock price, so the third hypothesis si:

**H3 = Effect of inflation on stock prices**

**RESEARCH METHOD**

The research used in this research is causal associative research. According to Sanusi (2011), associative-causal is research that seeks a relationship between two or more variables. The purpose of associative research is to find the relationship between one variable and another.

The population is the entire collection of research or objects to be studied. The population in this study are all food and beverage industry sub-sector companies listed on the Indonesian stock exchange for the period 2017 – 2020.

The sample research uses a purposive sampling technique, namely a sampling technique with certain considerations (Sugiyono, 2016). So that companies that do not meet the criteria determined by the study will be excluded from the sample. The following sample criteria used in this study are food and beverage industry sub-sector companies listed on the Indonesian stock exchange for the period 2017-2020.

**Operational Variable**

<table>
<thead>
<tr>
<th>No</th>
<th>Variable Dependen (Y)</th>
<th>Variable Independen (X1)</th>
<th>Variable Independen (X2)</th>
<th>Variable Independen (X3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Stock Price</td>
<td>Liquidity</td>
<td>Total Asset Turn Over</td>
<td>Company Size</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Table 1. Operational Variable**

<table>
<thead>
<tr>
<th>No</th>
<th>Variable Dependen (Y)</th>
<th>Variable Independen (X1)</th>
<th>Variable Independen (X2)</th>
<th>Variable Independen (X3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Stock Price</td>
<td>Liquidity</td>
<td>Total Asset Turn Over</td>
<td>Company Size</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Data collection technique**

The data used in this study is time series data or time series data. According to Kuncoro (2009) time, series data is data that arranged chronologically arranged according to time on a certain variable. This study uses time series data on an annual basis from 2017 to 2020. The data collection method used in this study is the documentation method. The documentation method carried out by collecting data from various literatures in...
accordance with the research theme and data from financial reports contained on the Indonesia Stock Exchange (IDX) during 2017-2020.

Data Types and Sources

The data collected in this research is in the form of quantitative data, namely data that measured on a numerical scale. The data used in this research is secondary data. Secondary data is data received by researchers indirectly. Secondary data in this study is in the form of annual financial reports produced by food and beverage consumption companies listed on the Indonesia Stock Exchange (IDX). This financial report obtained from the IDX website (www.idx.co.id) and the company's website.

RESULT AND DISCUSSION

Descriptive statistics include minimum, maximum, mean and standard deviation. The research variable data includes the dependent variable, namely Stock Price and the independent variables include Liquidity, Total Asset Turn Over and Company Size. The results of the descriptive statistical analysis shown in table 1:

1. Liquidity has an average value of 2.9585. While the standard deviation value is 1.94119. This indicates that the Liquidity variable normally distributed, because the standard deviation value is smaller than the average value of the variable.
2. Total Asset Turn Over (TATO) has an average value of 1.2014. While the standard deviation value is 0.56762. This indicates that the Total Asset Turn Over (TATO) variable is normally distributed, because the standard deviation value is smaller than the average value of the variable.
3. Company size has an average value of 29.3478. While the standard deviation value is 1.49271. This indicates that the Firm Size variable normally distributed, because the standard deviation value is smaller than the average value of the variable.
4. The share price has an average value of 8310, 2500. While the standard deviation value is 16083, 94558. This indicates that the inflation variable not normally distributed, because the standard deviation value is greater than the average value of the variable.

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR</td>
<td>88</td>
<td>.61</td>
<td>8.64</td>
<td>2.9585</td>
<td>1.94119</td>
</tr>
<tr>
<td>TATO</td>
<td>88</td>
<td>.48</td>
<td>3.10</td>
<td>1.2014</td>
<td>.56762</td>
</tr>
<tr>
<td>SIZE</td>
<td>88</td>
<td>26.71</td>
<td>32.20</td>
<td>29.3478</td>
<td>1.49271</td>
</tr>
<tr>
<td>PRICE</td>
<td>88</td>
<td>88.00</td>
<td>79725.00</td>
<td>8310,2500</td>
<td>16083,94558</td>
</tr>
<tr>
<td>Valid (listwise)</td>
<td>N</td>
<td>88</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Classic assumption test

A model is declared good for a predictive tool if it has the best liner unbiased estimator properties (Gujarati, 1997). Besides that, a regression model said to be quite good and can used to predict if it passes a series of tests of the underlying econometric assumptions.

The classical assumption test carried out to determine the condition of the existing data in order to determine the most appropriate analytical model to use. The classical assumption test used in this study consisted of autocorrelation test using Durbin-Watson statistics, multicollinearity test using Variance Inflation Factors (VIF) and heteroscedasticity test.
**Multicollinearity Test**

The method that can be used to test the presence of multicollinearity is to test the tolerance value or Variance Inflation Factor (VIF). The tolerance value limit is 0.10 and the Variant Inflation Factor (VIF) is 10.

**Table 3. Multicollinearity Test.**

<table>
<thead>
<tr>
<th>Model</th>
<th>Collinearity Statistics</th>
<th>Tolerance</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CR</td>
<td>0.959</td>
<td>1.043</td>
<td></td>
</tr>
<tr>
<td>TATO</td>
<td>0.980</td>
<td>1.020</td>
<td></td>
</tr>
<tr>
<td>SIZE</td>
<td>0.951</td>
<td>1.051</td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: PRICE

The multicollinearity test results show that there is no variable that has a tolerance value of less than 0.10 and all variables have a VIF value of less than 10. Therefore, it can be concluded that there is no multicollinearity in the regression model.

**Autocorrelation Test**

The autocorrelation test aims to test whether in the regression model there is a correlation between the confounding error in period t and the confounding error in period t-1 (previous). The consequence of autocorrelation in a regression model is that the sample variance does not describe the population variance. Furthermore, the resulting regression model cannot be used to estimate the value of the dependent variable on the value of a particular independent variable.

To diagnose the presence of autocorrelation in a regression model, the Durbin-Watson test (DW-test) is carried out with the following conditions:

- Less than 1.1 there is autocorrelation
- 1.1 to 1.54 No conclusion
- 1.55 to 2.46 No autocorrelation
- 2.46 to 2.9 No conclusion
- More than 2.9 there is autocorrelation

**Table 4. Autocorrelation Test**

<table>
<thead>
<tr>
<th>Model Summary</th>
<th>R</th>
<th>R Square</th>
<th>Adj. R Square</th>
<th>Std. Error of Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.451*</td>
<td>.203</td>
<td>.175</td>
<td>14613.34363</td>
<td>1.858</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), SIZE, TATO, CR
b. Dependent Variable: PRICE

From the table above, the Durbin-Watson value 1.858, so it can be concluded that there is no autocorrelation in this regression model.

**Heteroscedasticity Test**

Heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residuals of one observation to another observation. In this study tested using Spearman’s Rho. Priyastama (2017) states that this test uses a significant level of more than 0.05 and in the study, it concluded that there was no heteroscedasticity.
Table 5. Heteroscedasticity Test

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Unstandardized Predicted Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spearman's rho</td>
<td>CR Correlation Coefficient -3.86**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) .388</td>
</tr>
<tr>
<td></td>
<td>N 88</td>
</tr>
<tr>
<td></td>
<td>TATO Correlation Coefficient .482**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) .129</td>
</tr>
<tr>
<td></td>
<td>N 88</td>
</tr>
<tr>
<td></td>
<td>SIZE Correlation Coefficient .879**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) .121</td>
</tr>
<tr>
<td></td>
<td>N 88</td>
</tr>
<tr>
<td></td>
<td>Unstandardized Predicted Value Correlation Coefficient 1.000</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td>N 88</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

Normality test

The normality test aims to test whether in the regression model, the confounding or residual variables have a normal distribution. The normality of the data tested using one sample Kolmogorov-Smirnov with a significant level of 0.05. The results of the normality test from this study presented in Table 5.

Table 6. Normality test

<table>
<thead>
<tr>
<th>One-Sample Kolmogorov-Smirnov Test</th>
<th>Unstandardized Predicted Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>N 88</td>
<td>Normal Parameters( ^{a,b} )</td>
</tr>
<tr>
<td>Mean 8310.2500000</td>
<td>Std. Deviation 7246.1907375</td>
</tr>
<tr>
<td>Absolute .104</td>
<td>Positive .067</td>
</tr>
<tr>
<td>Negative -.104</td>
<td>Kolmogorov-Smirnov Z .976</td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed) .296</td>
<td>( ^{a} ) Test distribution is Normal.</td>
</tr>
<tr>
<td>( ^{b} ) Calculated from data.</td>
<td></td>
</tr>
</tbody>
</table>

Based on the results of the normality test shown in table 5, it shows that the residuals of the regression model before and after moderation have an asymp va Sig. >\( \alpha = 0.05 \). Thus, it interpreted that the residual values in all regression models declared to be normally distributed.

Coefficient of Determination Test (R2)

This test shows the percentage of the ability of the independent variable in explaining the variation of the dependent variable. The magnitude of the coefficient of determination from 0 to 1. The closer to zero the magnitude of the coefficient of determination, the smaller the influence of the independent variable, on the contrary, the closer to one the magnitude of the coefficient of determination, the greater the influence of the independent variable. The test results shown in the table.

Table 7. R. Test Results

<table>
<thead>
<tr>
<th>Model Summary(^{b})</th>
<th>Model R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.451</td>
<td>.420</td>
<td>.175</td>
<td>14613.34363</td>
</tr>
</tbody>
</table>

\(^{a}\) Predictors: (Constant), SIZE, TATO, CR
\(^{b}\) Dependent Variable: PRICE
Based on table 6 it can seen that the coefficient of determination R Square has a value of 0.203 so it can stated that the ability of the independent variables (Capital Adequacy Ratio (CAR), Return on Assets, inflation, foreign exchange rates and interest rates.) in explaining the variation of the dependent variable ( value of the company) very limited but supports jointly because has increased.

The value of R Square (R2) changed to the form of a percent, meaning the percentage of the contribution of the influence of the independent variable on the dependent variable. The R2 value of the first hypothesis is 0.420, which means that the percentage contribution of the variable Capital Adequacy Ratio (CAR), Return on Assets, inflation, foreign exchange rates and interest rates to the firm value variable is 42.0% while the rest (100%-42.0% = 58%) is influenced by other variables outside the model.

**Simultaneous significance test (F test)**

Simultaneous significance test (F test) used to show whether all independent variables included in the model have a joint effect on the dependent variable. (Ghozali, 2016). When the analysis using the F test shows that all the independent variables are simultaneously a significant explanatory of the dependent variable.

**Table 8. F Test Results**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>456813360,430</td>
<td>3</td>
<td>152271120,143</td>
<td>7.130</td>
<td>.000</td>
</tr>
<tr>
<td>1 Residual</td>
<td>17938184200,070</td>
<td>84</td>
<td>213549811,906</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>22506317560,500</td>
<td>87</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: PRICE  
b. Predictors: (Constant), SIZE, TATO, CR

**Multiple Linear Regression**

In accordance with the results of the research hypothesis that states that between variables have a significant relationship to the dependent variable, multiple linear regression needed to make an analytical model.

**Table 9. Statistical Test Results t**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>-</td>
<td>31988,098</td>
<td></td>
<td>.001</td>
</tr>
<tr>
<td>1 CR</td>
<td>-929,422</td>
<td>824,224</td>
<td>-112</td>
<td>.012</td>
</tr>
<tr>
<td>TATO</td>
<td>4323,933</td>
<td>2787,581</td>
<td>.153</td>
<td>.125</td>
</tr>
<tr>
<td>SIZE</td>
<td>3949,457</td>
<td>1076,218</td>
<td>.367</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Dependent Variable: PRICE

**Effect of Liquidity on Stock Prices**

The results of the regression coefficients in table 10 show that Liquidity has a negative t count of -1.128 with a probability of 0.263 this indicates that the p value (0.001) is more than the significance level (0.05), so H1 rejected, meaning that Liquidity has no effect on the price. Share.

The test results for the current ratio variable show that the current ratio has no significant effect on stock prices. A high CR value is not necessarily good in terms of profitability. Sawir (2005:9) states that a low CR will result in a decrease in the stock market price of the company concerned, but a too high CR is not necessarily good because
under certain conditions it shows a lot of idle company funds (little activity) which in turn can reduce the ability of the company to invest. Corporate profits. In line with Sawir, Prastowo (1995) revealed that high CR can caused by uncollectible receivables and unsold inventory, which of course cannot used quickly to pay off current debts. From the arguments above, it concluded that CR has a negative effect on stock prices. This supported by empirical evidence conducted by Kundiman and Hakim (2016) which shows that liquidity has no effect on stock prices.

**The Effect of Total Asset Turn Over on Stock Prices**

The results of the regression coefficients in table 10 show that Total Asset Turn Over (TATO) has a positive t count of 1.551 with a probability of 0.125. This shows that p value (0.000) > significance level (0.05), so H2 means that TATO has no effect on stock prices.

TATO shows the overall efficiency of the company's assets in generating company sales. The higher the TATO, the more productive the total assets in generating sales. However, the high and low TATO does not always indicate an interest in the shares of a company. This is because investors are not concerned with the large number of sales of a company but are more concerned with the large amount of profit earned by the company, because the ability of all assets to create sales may not necessarily increase profits. Besides that, also other factors have more influence on stock prices compared to TATO, so that in this study, TATO has no effect on stock prices. Different research objects and time spans can lead to different research results. Alternatively, because the value of the assets used by the company to support sales activities is unstable.

The results of the study supported by research by Nur'aidawati (2018) which states that TATO has no significant effect. The results of a different study conducted by Purba et al (2019) stated that TATO had a significant positive effect on stock prices.

**The Effect of Company Size on Stock Prices**

The results of the regression coefficients in table 10 show that inflation has a positive t count of 3.670 with a probability of 0.000. This shows that the p value (0.475) < significance level (0.05), so H3 means that the size of the company has a significant positive effect on stock prices.

The size of the company that affects the stock price illustrates the use of good company assets with the company's total assets increasing that the company's source of funds can provide additional profits for the company so that it affects the price of outstanding shares. The results of this study are consistent with Nurlita et al. (2018:618) The rate of return on shares is higher in large-scale companies than small-scale companies. The results of this study are in line with Lombogia et al. (2020) states, company size has a positive and significant effect on stock prices.

**CONCLUSION**

Based on the results of the analysis and discussion that has carried out, the following conclusions can drawn:
1. Liquidity and Total Asset Turn Over have no effect on stock prices.
2. Firm size has a positive effect on stock prices

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