

Factors Influencing Stock Return in Coal Mining Sub-Sector Registered in Indonesia Stock Exchange in Period of 2011 to 2015

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Abstract:- This research aimed to test and analyze about factors influencing stock return in coal mining sub-sector registered in Indonesia stock exchange. The research data were annual data for observation period in years 2011 to 2015 obtained from company's annual report. The sampling method used was purposive sampling. From 22 companies as population, there were 14 companies which fulfilled as sample. Furthermore, the data analysis method used in this study was panel data regression with Fixed Effect Model with R^2 value 66.64%. The research result showed that Price Earning Ration (PER) and Price to Book Value (PBV) influenced positively towards the stock return, meanwhile Return on Asset (ROA), Debt to Equity

Ratio (DER), and Current Ratio (CR) did not influence towards the stock return.

Keywords:- Price Earning Ratio (PER), Return on Asset (ROA), Price to Book Value (PBV), Debt to Equity Ratio (DER), Current Ratio (CR), Stock Return.

I. INTRODUCTION

Stock return of coal mining sub-sector in period of 2011-2015 had lower return than other returns. The following data are the development of stock return in mining sector registered in Indonesia Stock Exchange in period of 2011-2015.

No	Sub-sectors	Stock Return (%)					Mean
		Year					
		2011	2012	2013	2014	2015	
1	Coal	-30%	-36%	-21%	-21%	-34%	-28,4%
2	Oil and gas	-22%	-25%	0%	34%	-33%	-9,2%
3	Metal and other minerals	-27%	-21%	-8%	6%	-15%	-0,13%
4	Rock mining	-4%	-18%	0%	76%	-25%	5,8%

Table 1:- Stock Return Development in Mining Sub-sector Registered in Indonesia Stock Exchange in Years of 2011 to 2015 (in Percent)

Source: www.sahamok.com(data analyzed)

Based on the Table 1 above, it is seen that the highest stock return was rock mining sub-sector as high as 5.8%, metal mining with mean -0.13%, coal mining -28.4%, and oil and gas -9.2%. In the averages of stock return in years of 2011-2015, in the coal mining sub-sector was happened the lowest return among the others.

Thus, the high-low stock return is influenced by financial ratios, and they are liquidity, solvability, profitability, business activity, and market assessment (Wiagustini, 2010: 75). The study of coal mining industry which has the lowest average of decrease needs to be done to know the influence of PER, ROA, PBV, DER and CR

towards Stock Return in Coal Mining Sub-sector Registered in Indonesia Stock Exchange in Period of 2011-2015.

II. LITERATURE REVIEW

A. Theoretical Study

➤ Capital Asset Pricing Model (CAPM)

CAPM is firstly introduced by Sharpe, Lintner and Mossin in mid of 1960-ies. CAPM is a model that correlates level of expectation return of a risking asset with that asset risk in balanced market condition. CAPM

explains that the risk and return correlate positively, which means that the higher the risk, the higher the return (Tandelilin, 2010).

➤ *Arbitrage Pricing Theory (APT)*

Ross (1977) formulates a theory namely Arbitrage Pricing Theory (APT). Like CAPM, APT draws the relationship between risk and income, but by using different assumption and procedure.

➤ *Signaling Theory*

Signaling theory appeared because of the existence of information asymmetry. This concept was firstly developed by Akerlof (1970). He used an example from a used car in which the potential buyer could not decide the real price of the car easily, so there was possibility that the buyer paid for beyond average price. This condition profited the seller, for the seller got the price beyond the average causing by unknown information by the buyer. Moreover, from another point of view, this condition also inflicted the seller if the seller sold car of premium quality with the lower price than the actual price. It could happen because of the seller's frightening if he or she sold the car with very expensive price to the potential buyer.

Ross (1977) stated that company executive party having better information about the company would be motivated to convey the information to the investor candidate in order that the company stock improved. Thus, signaling theory indicates the existence of the information asymmetry between company management and other interested parties with the information.

In addition, signaling theory explains about how the company should give signals towards the financial report user. These signals give information about the efforts that have been done by management to realize the stock owner's desire. Moreover, the signals could be promotion or another information which states that that company is better than the others.

➤ *Agency Theory*

Agency theory explains about separation between management function by manager with ownership function by the stock owner in a company (Hasnawati and Sawir, 2015).

B. Company performance

Company performance is a company view in certain period of time. To know the performance condition, the company could assess the company performance. According to Mulayadi (1995), performance assessment is periodical decision of organization effectiveness, organization schema, and the employers based on the target, standard and criteria that have been decided before.

C. Financial Ratio Analysis

Ratio analysis is needed to assess the company performance. Moreover, the financial ratio kinds are divided into 5 kinds: liquidity, solvability, activity ratio,

profitability ratio and market assessment ratio (Home and Wachowicz, 2008:138).

➤ *Liquidity Ratio*

Liquidity ratio is a ratio showing the company's capability to pay off the short-term duty (Home and Wachowicz, 2008: 138). Furthermore, the liquidity ratio used in this research was Current Ratio (CR).

➤ *Solvability Ratio*

Solvability ratio is a ratio showing the company's capability to square accounts in long-term time (Home and Wachowicz, 2008: 140). In addition, the solvability ratio used in this research was Debt to Equity Ratio (DER).

➤ *Activity Ratio*

This ratio measures how effectively a company benefits its asset (Home and Wachowicz, 2008: 142). This ratio regards that it is better by the existence of proper balance between selling and various aspects of assets such as supply, permanent assets, and other assets. Furthermore, the activity ratio used in this research was Price to Book Value (PBV).

➤ *Profitability Ratio*

Profitability ratio functions to show the company's capability in producing profit of company's assets utility (Home and Wachowicz, 2008: 148). Moreover, the profitability ratio used in this research was Return On Asset (ROA).

➤ *Market Assessment Ratio*

Market assessment ratio is a ratio relating to the profit level gotten from the stock price, cash flow, and book value per share (Ehrhardt and Brigham, 2011: 100). In addition, the market assessment ratio used in this research was Price Earning Ratio (PER).

D. Factors Influencing the Stock Return

Factors influencing the are divided into 2 categories: macro and micro factors (Samsul, 2008: 200).

- Macro factor is factor from out of the company that is factor including domestic general interest, infancy level, foreign exchange rate, and international economy condition; then, macro factor including national politic incidents, international politic incidents, war, mass demonstration, and living environment case.
- Micro factor is factor from inside of the company itself that is factor including net profit per stock, book value per stock, debt ratio to equity, and other financial ratios.

E. Research Variables

➤ *Price Earning Ratio (PER)*

Price Earning Ratio is ratio between stock price and income in each stock sheet, and it is an indicator of development or growth of the company in the future. The company which has high PER shows the high market value of the stock also. PER formula is as follows (Ehrhardt and Brigham, 2011: 101).

$$PER = \frac{PRICE\ SHARE}{EPS}$$

➤ *Return on Asset (ROA)*

Return on Asset (ROA) is a profitability ratio used to measure the company effectiveness in getting profit and benefitting all assets that are had (Ang, 1997).

$$ROA = \frac{NIAT}{TotalAsset}$$

➤ *Debt to Equity Ratio (DER)*

Debt to Equity Ratio (DER) is ratio used to measure the leverage level in showing company’s capability to fulfill the long-term duty. This ratio is used to measure debt with equity. The DER formula is as follows.

$$DER = \frac{Total\ Debt}{Total\ Shares\ Holder\ Equity}$$

➤ *Price to Book Value (PBV)*

One of ratios is PBV (Price to Book Value). Robert Ang (1997) simply states that PBV is market ratio used to measure the stock market price performance to book value.

$$PER = \frac{PS}{BVS}$$

➤ *Current Ratio (CR)*

Current Ratio (CR) is ratio to measure how far the current assets of a company could pay off the short-term duty. The CR formula is as follows (Horne dan Wachowicz, 2008:139).

$$CR = \frac{Aset\ Lancar}{Liabilitas\ Lancar}$$

F. *Thinking Framework*

Based on the theories and previous researches, there are some factors that are identified in influencing Stock Return, they are *Price Earning Ratio (PER)*, *Return On Asset (ROA)*, *Debt to Equity Ratio (DER)*, *Price to Book Value (PBV)*, and *Current Ratio (CR)*. Therefore, it needs statistic testing to know how far the influence is towards the independent variable towards Stock Return. Thus, the thinking framework of this research is showed as in the Figure 1.

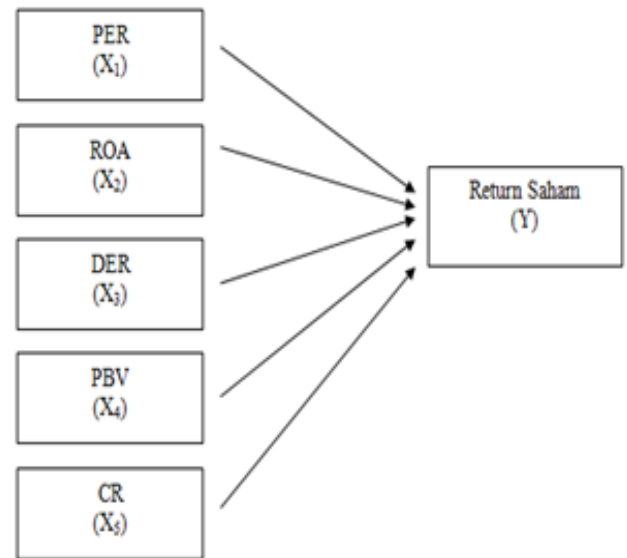


Fig 1:- Thinking Framework

❖ *Hypotheses*

Hypothesis is temporary answer towards the research that the existence should be tested empirically by using statistic testing (Kothari, 2004: 184). Furthermore, the hypotheses in this research are as follow.

- H₁: *Price Earning Ratio (PER)* has influence towards *Stock Return*.
- H₂: *Return On Asset (ROA)* has influence towards *Stock Return*.
- H₃: *Price to BookValue (PBV)* has influence towards *Stock Return*.
- H₄: *Debt to Eguity Ratio (DER)* has influence towards *Stock Return*.
- H₅: *Current Ratio (CR)* has influence towards *Stock Return*.

III. RESEARCH METHODS

A. *Research Design*

This research was causal associative research with aim to look or know the relationship or influence between two variables or more (Widodo, 2018: 67). Based on the causal associative research, in this research would be conducted hypothetical testing of variables of *Price Earning Ratio (PER)*, *Return On Asset (ROA)*, *Debt to Equity Ratio (DER)*, *Price to BookValue (PBV)*, and *Current Ratio (CR)*, towards *Stock Return*.

B. *Data Collection*

The data used were secondary data. In general, the secondary data include proof or fact, note or historical reports that have been set in archives (documenter data), either published or not. Moreover, the secondary data included *Price Earning Ratio (PER)*, *Return On Asset (ROA)*, *Debt to Equity Ratio (DER)*, *Price to BookValue (PBV)*, and *Current Ratio (CR)*. Furthermore, this research was based on company’s performance summary that was noted in 2011 to 2015 and annual report of the company from 2011 to 2015 published in Indonesia Stock Exchange.

C. Population and Sample

The population chosen in this research was coal mining sub-sector registered in Indonesia Stock Exchange in 2011-2015. Based on the information gathered from the Indonesia Stock Exchange, the number of company registered in coal mining sub-sector in 2011-2015 was 22 companies.

D. Data Analysis Method

The data used in this research were secondary data, that were *Price Earning Ratio* (PER), *ROA (Return On Asset)*, *DER (Debt To Equity Ratio)*, *Price to Book Value* (PBV) and *Current Ratio* (CR). In this research, the data were based on the company's performance summary registered in 2011-2015 and the company's annual report in

period of 2011 and 2015 published in Indonesia Stock Exchange. The statistical analysis used in this research was Panel Data Regression analysis by using e-views program version 9.5. The panel data regression used was the group of cross section and time series. The data were time series because the data in this research were in certain time interval that was 2011 to 2015. Meanwhile, the cross section data were the data in certain time period in some coal mining sub-sector companies. However, before the regression analysis was done, the panel data were analyzed first by using descriptive statistic.

IV. RESULT AND DISCUSSION

A. Descriptive Statistic Result

	STOCK RETURN	PER	ROA	DER	PBV	CR
Mean	3.740000	29.70571	9.995429	2.297429	5.080000	158.0039
Median	-22.50000	9.535000	7.070000	0.965000	2.750000	155.3600
Maximum	835.5000	296.0300	64.39000	14.81000	46.52000	470.6600
Minimum	-90.00000	-133.0500	-9.110000	-24.12000	0.290000	19.90000
Std. Dev.	133.6068	65.86524	11.94170	4.608235	7.241804	75.87089
Skewness	4.708325	1.654979	2.084877	-2.078509	3.710824	1.041986
Kurtosis	27.11056	7.178819	8.604722	17.28182	19.29101	5.749773
Jarque-Bera Probability	1954.145 0.000000	82.88685 0.000000	142.3326 0.000000	645.3160 0.000000	934.7269 0.000000	34.72056 0.000000
Sum	261.8000	2079.400	699.6800	160.8200	355.6000	11060.27
Sum Sq. Dev.	1231704.	299337.8	9839.683	1465.273	3618.617	397191.1
Observations	70	70	70	70	70	70

Table 2:- The Descriptive Statistic Testing Result
Source: Data analyzed from *eviews* (2018)

➤ Stock Return

From the statistic table above, it is known that the minimum value of was -90.00000 and the maximum was 835.5000. The result indicates that the value of of the coal mining of this research sample was around -90.00000 until 835.5000 with mean 3.740000 with deviation standard 133.6068. That the mean was lower than the deviation standard ($3.740000 < 133.6068$) indicates that the spread was not good.

➤ Price Earning Ratio (PER)

From the statistic table above, it could be known that the minimum value of PER was -133.0500 and the maximum was 296.0300. The result indicates that the value of PER of the coal mining as the research sample was around 133.0500 until 296.0300 with mean 29.70571 with deviation standard 65.86524. In addition, that the mean was lower than the deviation standard ($9.995429 < 11.94170$) indicates that the ROA value was not good.

➤ Debt to Equity Ratio (DER)

From the statistic table above, it could be known that the minimum value of DER was -24.12000 and the

maximum was 14.81000. The result indicates that the value of PER of the coal mining as the research sample was around 24.12000 until 14.81000 with mean 2.297429 with deviation standard 4.608235. In addition, that the mean was lower than the deviation standard ($2.297429 < 4.608235$) indicates that the DER value was not good.

➤ Price Book Value (PBV)

From the statistic table above, it could be known that the minimum value of PBV was 0.290000 and the maximum was 46.52000. The result indicates that the value of PER of the coal mining as the research sample was around 0.290000 until 46.52000 with mean 5.080000 with deviation standard 7.241804. In addition, that the mean was lower than the deviation standard ($5.080000 < 7.241804$) indicates that the PBV value was not good.

➤ Current Ratio (CR)

From the statistic table above, it could be known that the minimum value of CR was 19.90000 and the maximum was 470.6600. The result indicates that the value of PER of the coal mining as the research sample was around 19.90000 until 470.6600 with mean 158.0039 with deviation

standard 75.87089. In addition, that the mean was higher than the deviation standard (158.0039 < 75.87089)

indicates that the CR value was good.

Fixed Effect Model

Explanation	Coefficient	t-Statistic	Probability
C	-38,27658	-0,839309	0,4052
PER	5,029129	2,807220	0,0150
ROA	-0,398248	-0,304956	0,7616
DER	3,003880	0,851517	0,3985
PBV	7,984768	3,792429	0,0068
CR	-0,014758	-0,058779	0,9534
R-Square	0,666357		
Adjusted R-squared	0,578012		
F-statistik	5,476084		
Prob(F-statistic)	0,000000		

Table 3:- The Testing Result of Factors Influencing the towards Coal Mining Sub-sector in Indonesia Stock Exchange in Period of 2011-2015 with Approach

By using Fixed Effect model, it was formed panel data regression equation model as formulated below.

$$R = -38,27658C + 5,029129PER - 0,398248ROA + 3,003880DER + 7,984768PBV - 0,014758CR$$

The equation explains:

- *Constant = -38.27658 with significance 0.4052*
If the value of each independent variable was 0 (constant), the (Y) had value -38.27658. The negative constant value meant that the company lasted capital loss.
- *PER (X₁) = 0.029129 with significance 0.0150*
The significance value was lower than 0.05 (<0.05), so PER influenced significantly-positively towards with significance of $\alpha = 5\%$. If there was increase of PER as many as one unit, it would be followed by the increase of (Y) 0.129924, and vice versa, with variable assumption of X₂, X₃, X₄, X₅ *caterisparitis*.
- *ROA (X₂) = -0.398248 with significance 0.7616*
The significance value was higher than 0.05 (> 0.05), so ROA influenced negatively towards with significance of $\alpha = 5\%$. If there was increase of ROA as many as one unit, it would be followed by the increase of (Y) -0.398248, and vice versa, with variable assumption of X₁, X₃, X₄, and X₅ *caterisparitis*.
- *DER (X₃) = 3.003880 with significance 0.3985*
The significance value was higher than 0.05 (> 0.05), so DER influenced negatively towards with significance of $\alpha = 5\%$. If there was increase of DER as many as one unit, it would be followed by the increase of (Y) 3.003880, and vice versa, with variable assumption of X₁, X₂, X₄, and X₅ *caterisparitis*.
- *PBV (X₄) = 7.984768 with significance 0.0068*
The significance value was lower than 0.05 (<0.05), so PBV influenced significantly-positively towards with significance of $\alpha = 5\%$. If there was increase of PBV as many as one unit, it would be followed by the increase of

(Y) 7.984768, and vice versa, with variable assumption of X₁, X₂, X₃, dan X₅ *caterisparitis*.

- *CR (X₅) = -0.014758 with significance 0.9534*
The significance value was higher than 0.05 (> 0.05), so CR influenced negatively towards with significance of $\alpha = 5\%$. If there was increase of CR as many as one unit, it would be followed by the increase of (Y) -0.014758, and vice versa, with variable assumption of X₁, X₂, X₃, and X₄ *caterisparitis*.

B. Result of F Test

This testing was done to look whether independent variable together influence dependent variable. It could be seen from table 4.7, with probability level 95% ($\alpha = 5\%$), p-value 0.0000 < 0.05 and F-testing 5.476084 that was higher than F-table (2.38), that H₀ was rejected, so it indicates that PER, ROA, DER, PBV, and CR all together influence the significantly.

<i>F_{testing}</i>	<i>df₁ (k-1)</i>	<i>df₂ (n-k)</i>	<i>F_{tabel}</i>	<i>Prob</i>
5,476084	5	8	2,38	0.000000

Table 4:- The Result of F Testing
Source: Analysis result of E-Views 9.5

Therefore, it could be seen from table 4, with probability level 95% ($\alpha = 5\%$), p-value 0.0000 < 0.05 and F-testing 5.476084 that was higher than F-table (2.38), that H₀ was rejected, so it indicates that PER, ROA, DER, PBV, and CR all together influence the significantly.

C. Result of t Test

Statistic result of t-test basically shows how far the influence of an independent variables (PER, ROA, DER, PBV, CR) individually in explaining the variety of dependent variable (Stock Return). The t-test result is presented in table 5 below.

Explanation	Coefficient	t-Statistic	Probability
C	-38,27658	-0,839309	0,4052
PER	5,029129	2,807220	0,0150
ROA	-0,398248	-0,304956	0,7616
DER	3,003880	0,851517	0,3985
PBV	7,984768	3,792429	0,0068
CR	-0,014758	-0,058779	0,9534
R-Square	0,666357		
Adjusted R-squared	0,578012		
F-statistik	5,476084		
Prob(F-statistic)	0,000000		

Table 5:- The Result of t-test

Based on the table 5 above, it is gotten the analysis result as follow.

➤ *The Influence of Price Earning Ratio (PER) towards Stock Return*

Based on the table 5 above, it could be seen that the PER probability was 0.0150 that was lower than 0.05 and t-testing (2.807220) that was higher than t-table (2.31) with positive direction, so this variable was in area of H_0 rejection which indicates that PER influences positively towards of coal mining company registered in Indonesia Stock Exchange in years of 2011 to 2015.

➤ *The Influence of Return on Asset (ROA) towards Stock Return*

Based on the table 5 above, it could be seen that the ROA probability was 0.7616 that was higher than 0.05 and t-testing (-0.304956) that was lower than t-table (2.31) with negative direction, so this variable was in area of H_0 acceptance which indicates that ROA influences negatively towards of coal mining company registered in Indonesia Stock Exchange in years of 2011 to 2015.

➤ *The Influence of Debt to Equity Ratio (DER) towards Stock Return*

Based on the table 5 above, it could be seen that the DER probability was 0.3985 that was higher than 0.01 and t-testing (0.851517) that was lower than t-table (2.31) with negative direction, so this variable was in area of H_0 rejection which indicates that DER influences negatively towards of coal mining company registered in Indonesia Stock Exchange in years of 2011 to 2015.

➤ *The Influence of Price Book Value (PBV) towards Stock Return*

Based on the table 5 above, it could be seen that the PBV probability was 0.0068 that was lower than 0.01 and t-testing (3.792429) that was higher than t-table (2.31) with positive direction, so this variable was in area of H_0 rejection which indicates that PBV influences positively towards of coal mining company registered in Indonesia Stock Exchange in years of 2011 to 2015.

➤ *The Influence Current Ratio (CR) towards Stock Return*

Based on the table 5 above, it could be seen that the CR probability was 0.9534 that was higher than 0.01 and t-testing (-0.058779) that was lower than t-table (2.31) with

negative direction, so this variable was in area of H_0 rejection which indicates that CR influences negatively towards of coal mining company registered in Indonesia Stock Exchange in years of 2011 to 2015.

D. Determination Coefficient (R^2)

Determination coefficient test is done to know how big the influence of independent variables towards dependent variable (Gujarati, 2012:13). The result of determination coefficient test is presented in table 5.

Based on table 5 above, R-square (R^2) value 0.666357 shows that 66.64% of variants of could be explained by the change in PER, ROA, DER, PBV and CR variables, meanwhile the rest, 33.36%, could be explained by other factors from out of this research.

E. Study of Hypothetical Testing Analysis

➤ *The Influence of Price Earning Ratio (PER) towards Stock Return*

Price Earning Ratio (PER) influenced positively towards the of coal mining company registered in Indonesia Stock Exchange in years of 2011 to 2015. This research is in line with the third hypothesis stating about Price Earning Ratio (PER). In addition, it is also in line with theory from Sharpe, Gordoon and Baley (2006) stating that company with high-level growth opportunity generally has high PER also, and this shows that market hopes profit growth in the future. Thus, the higher PER is, the higher stock price is.

Furthermore, if PER value is negative, it emerges speculation that bad performance of company is because it is priced too cheap. An investor should pay attention towards proper PER value stock, which does not work out underpriced or overpriced/ overvalued. Furthermore, Price Earning Ratio (PER) is an important measurement for investor in investing because PER is admitted as good assessment method, and it includes all companies including in estimating stock price or value. In addition, the investor's expectation in conducting stock analysis through financial ratios like PER is due to the investors' or the investor candidates' expectation existence on the proper return result of a stock invest. The higher Price Earning Ratio means that the higher the stock price or the better the investors admiring the stock. Moreover, high stock price signs that the stock is being delighted by the investors, and

it makes value high. Then, it supports the researches by Farkhan and Ika (2013), Petcharabul and Romprasert (2014), and Öztürk and Karabulut (2018) showing that PER has positive influence towards Stock Return.

➤ *The Influence of Return on Asset (ROA) towards Stock Return*

ROA did not influence the of coal mining company in period of 2011-2015. In addition, it is in the opposite of the first hypothesis which was based on signaling theory stating that ROA influenced positively towards Stock Return. Moreover, theoretically, if ROA increases, company's performance will be better because the returning level is higher. Furthermore, plantation industry is an industry which needs quite high invest, so the investors perhaps do not make standard of ROA in making invest decision. Then, this study result is in line with researches from Ade et.al (2015) and Oroh (2019) stating that ROA does not influence towards Stock Return.

➤ *The Influence of Debt to Equity Ratio (DER) towards Stock Return*

Debt to Equity Ratio (DER) did not influence towards Stock Return. This result is in line with the first hypothesis stating that Debt to Equity Ratio (DER) influences negatively towards Stock Return.

Too high DER has bad impact towards company's performance because with higher debt means that company's constant load will be higher and decrease profit. Thus, with high debt level which is loaded to the stock owner, exactly it will increase the invest risk to the invest owners.

Moreover, mining company is risking-conditional industry, especially in exploration stage to construction which have high uncertainty and need very high capital because the risk level is high, so national banks sometimes do not dare enough to support the finance for the at that stage-mining company and quite dare in giving loan if the company is in production stage. Company with high Debt to Equity Ratio (DER) has high debt cost and will decrease the solvability level of the company. In addition, the investors tend to avoid the stocks with high DER. That case will make the decreasing. This research result supports the studies from AL-Qudah and Laham (2013), Acheamponget al. (2014), Sugiartidan Aisjah and Ghi (2015), and Fitriana et.al (2016) showing that DER influence negatively towards the Stock Return.

➤ *The Influence of Price Book Value (PBV) towards Stock Return*

PBV influenced positively towards of coal mining sub-sector company in period of 2011-2015, and it was based on the hypothesis of the research. Price to Book Value is known as company's value. The lower the PBV is, the cheaper the company stock, and vice versa. Moreover, the value of coal mining sub-sector faced decreasing trend in the period of 2011-2015 which caused the company's also decreased. Then, this research is in line with the researches from Safdar et.al (2013) and Snjay (2012)

showing that PBV influences positively towards Stock Return.

➤ *The Influence of Current Ratio (CR) towards Stock Return*

CR did not influence towards coal mining sub-sector company's stock in the period of 2011-2015. Ratio of Liquidity Current Ratio is ratio to measure the company's capability in paying short-term debt. The CR ratio value in this period was fluctuated and tended to decrease. However, the high CR value does not show good finance ratio surely. If the current ratio is low means that the company does not have enough capital to pay debt, and if it is high does not mean that the finance ratio is good. Furthermore, this could be caused by the less-controlled cash management.

In coal mining sub-sector company, investors do not consider the returning profit towards the capital, but perhaps the investors consider the profit return from the selling result by the high selling margin which will interest more the investors, so CR ratio does not make consideration for the investors to invest. Then, this research is in line with researches from Sekar and Prasetiono (2016) and Vinola and Kiki (2016) showing that Current Ratio does not influence towards the company's return.

V. CONCLUSION

- Price Earning Ratio (PER) influences positively towards the of coal mining sub-sector company registered in Indonesia Stock Exchange in the years of 2011-2015.
- Return on Asset (ROA) does not influence towards the of coal mining sub-sector company registered in Indonesia Stock Exchange in the years of 2011-2015.
- Debt to Equity Ratio (DER) does not influence towards the of coal mining sub-sector company registered in Indonesia Stock Exchange in the years of 2011-2015.
- Price Book Value (PBV) influences positively towards the of coal mining sub-sector company registered in Indonesia Stock Exchange in the years of 2011-2015.
- Current Ratio (CR) does not influence towards the of coal mining sub-sector company registered in Indonesia Stock Exchange in the years of 2011-2015.

RECOMMENDATION

Based on the study of the analysis result and some conclusions above, the suggestions are given to complete this research as follow.

A. For Investors

The investors who want to invest in mining company are suggested to choose the company having the returning level with increasing trend in order to decrease the risk in investing. The investors also should be able to analyze invest product well through either technical or fundamental analysis.

B. For Companies

- The companies are better to pay attention to variables which influence negatively towards the Stock Return, they are ROA, DER and CR in the case to be the companies' performance fixation in achieving good stock price for external company part, so there will be increase of the Stock Return.
- It is better for the companies to manage the assets in order that the stock increases by increasing the sales with the available assets.

C. For the Further Research

- It could be developed from this research by adding other variables such as *Quick Ratio* (QR), *Net Profit Margin* (NPM), *Earning Per Share* (EPS), inflation level, and rate of exchange.
- It needs the additional period of observation because the longer the time interval to do it, the bigger the opportunity to get information about the proper variables to get accurate research.
- For the further research, it is expected to lengthen the research period.

LIMITATION OF THE RESEARCH

The researcher focused on and limited the influence of Return on Assets (ROA) which was proxy of profitability. Moreover, Current Ratio (CR) was proxy of liquidity. Then, Debt to Equity Ratio (DER) was one of proxies used to measure the company's performance from solvability aspect, Price to Book (PBV) was proxy of the company value, and market assessment ratio was known with Price represented with Price Earning Ratio (PER).

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