The Role of the Company's Value in the Mediate Influence the Structure of Capital, Return on Assets and Return on Equity Against the Share Price

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Abstract:- The aims of this research to analyze: (1) Influence of Capital Structure, ROA, ROE to Company Value, (2) Influence of Capital Structure, ROA, ROE to Stock Price, (3) Influence of Capital Structure, ROA, ROE to Share Price through Company Value, (4) Influence of Company Value on Stock Price.

This study uses secondary data through techniques of collecting documentation in the form of financial statements of manufacturing companies listed on the Indonesia Stock Exchange period 2012 to 2016. Samples used through the method of Purposive Sampling based on certain criteria. The total population of 147 manufacturing companies. Data analysis in this study using Path Analysis Model (Path Analysis) with the help of Structural Equation Modeling (SEM). The analysis method uses Multiple Linear Regression Analysis which operated through SPSS program.

The results of this study indicate that: (1) Capital Structure has a negative and significant effect on Corporate Value, ROA and ROE have a positive and significant impact on Corporate Value; (2) Capital Structure negatively and insignificant to Price of Sahan, ROA and ROE have positive and insignificant effect to Stock Price; (3) Capital Structure has negative and significant effect to Share Price through Company Value, ROA and ROE have positive and significant effect to Share Price through Company Value, (4) Company Value has positive and significant effect to Stock Price

***Keywords**:- Capital Structure, Return On Asset, Return On Equity, Corporate Value, Stock Price.*

I. INTRODUCTION

A. background

The investment is an activity in instilling a capital funds in a particular field. Investments can be made through various means, one of which is an investment in the form of shares. Marangu and Jagongo (2015) declares common stock investment one financial asset that became the most popular in the world of investment, because stocks offer an opportunity to investors to adjust their investment program to meet the needs and individual preferences.

Stock price movements are not detached from the power supply and demand will stock it. If the request is larger when compared with the supply, then the resulting stock price goes up, and vice versa when supply is greater than demand for shares will lead to share price falls. The share price will undergo changes at any time, due to a momentary valuation by the sellers or buyers who are influenced by many factors. Factor – factors that could affect the stock price, among others, in the form of the financial condition of the company obtained through the company's financial report, the deposit interest rate, inflation rate, the amount of profits that accrue to the company, marketing strategy, level of risk and return. (Ruth dkk, 2013)

Fundamental and technical information can be used as a basis for investors to predict return, risk or uncertainty, amount, time, and other factors associated with investment activities in the capital markets. If the prospect of a public company is very strong and good, then the company's share price is expected to rise as well, (Tamuunu and Rumokoy,2015).

Cohen et al (2011) in the Zulkarnaen et al (2016) found that investors using fundamental analysis is more often instead of using technical analysis. This research used in fundamental analysis through financial ratios, used is Debt Equity Ratio (DER) as a proxy for capital Structure, Return on Assets (ROA), Return on Equity (ROE), while the ratio of the market approach through the used Price to Book Value (PBV) as a proxy of the company value.

Empirical study on the influence of ROA of the company and the share prices of which were done by Chabachib and Misran (2017); Languju dkk (2016) and Saleh et al (2015) shows that significant effect with ROE direction positive relationship towards the company. But not in line with the results of research conducted by Karima (2016) explaining that ROE is valid and realible as the measurement of financial performance of the company and has a negative influence and significant value of the company. Empirical study of ROA in conjunction with share prices which were done by Avdalović and Milenković (2017); Purnamawati (2016) and Susana (2016) research results indicate that stock prices are influenced in a positive and significant by ROA. These results indicate that the rise in stock prices caused due to high ROA who owned the company. But in contrast to the research Tamuntuan, (2015) and rooms (2017) that the results show that the stock price is not influenced positively and significantly by ROA.

Return On Equity (ROE) is to measure how much of the profits into private equity owners. The high ROE reflects that the company managed to turn a profit from its own capital. The increase in the value of the ROE will increase the value of the company, which will certainly have an impact on stock prices, (Room,2017)

Research results Languju dkk (2016) and Saleh et al (2015) shows that significant effect with ROE direction positive relationship towards the company. But the results of such research vary with the research of Karima (2016) explaining that ROE is valid and realible as the measurement of financial performance of the company and has a negative influence and significant value of the company. With the increasing value of the company that are affected by ROE, then will automatically increase the price of the shares, as investors who invested in the research room (2017); Trine dkk (2016); Manoppo (2015) and Ruth dkk (2013) that produces a positive and significant effect ROE against stock prices. But in contrast to the results of the research of Susana (2016); Ircham dkk (2014) as well as Mogonta and Pandowo (2016) showed a negative and significant effect ROE against stock prices.

The object of this research is the financial report 2014-2016 of the manufacturing companies listed on the Indonesia stock exchange period in 2014-2016 that are continue to report financial statements. Based on the data published by the Indonesia Stock Exchange (IDX) total emitan total as many as 147 companies.

C. The Purpose Of The Research

In accordance with the statement of the research, then the purpose of this research is:

- To analyse the influence of the structure of the Capital against the value of the company at the manufacturing companies listed on the Indonesia stock exchange.
- To analyse the influence of Return on Assets of the company at the manufacturing companies listed on the Indonesia stock exchange.
- To analyze the Return on Equity of the company at the manufacturing companies listed on the Indonesia stock exchange.
- To analyze the effect of capital structure towards the stock price at the manufacturing companies listed on the Indonesia stock exchange.
- To analyse the influence of Return on Asset against the stock price at the manufacturing companies listed on the Indonesia stock exchange.
- To analyse the influence of Return On Equity against the share price at the manufacturing companies listed on the Indonesia stock exchange.
- To analyse the influence of the structure of the capital against the value of the company through stock price at manufacturing companies listed on the Indonesia stock exchange.
- To analyse the influence of return on asset against the stock price through the value of the company at the manufacturing companies listed on the Indonesia stock exchange.
- To analyse the influence of return on equity against the share price through the value of the company at the manufacturing companies listed on the Indonesia stock exchange.
- To analyse the influence of the value of the Companies against the stock price at the manufacturing companies listed on the Indonesia stock exchange

II. REVIEW OF THE LITERATURE

A. The Stock Price

The stock price is the price that is happening in the stock market at the appropriate time determined by market participants and determined by the supply and demand of relevant shares in the capital market. The stock price is the current price of the revenue that would be received by investors in the future. Stock prices used in transactions in the capital markets is the price formed on the market mechanisms of supply and demand of the market, (Susana 2017).

B. Understanding The Value Of The Company

Winarto (2015) defines the value of the company as follows: "The firm value is defined the U.S. market value because the company value can give maximal stockholder prosperity if the price of the share increases. The main purpose of the company is to increase firm value through increasing price of company shares. Based on the concept of capital structure, the firm value is the market value of debt and equity based on market value. TThe firm value is proxied with using the price of the share. the value of firm can be observed through stockholder prosperity. Stockholder prosperity is proxied from the return obtained from the daily share price change of a public company. the firm value is proxied through a total excess market value of company and book value of assets is divided with book value of assets. Company market value is obtained from the price of common share multiplied with share outstanding. Besides that other market value the proxy is price Book Value (PBV) and Tobin's Q ".

C. Capital Structure

According to Nurhikmah (2013) capital structure is a strategy the company in determining the proportion of each element of the source of capital to keep their financial performance related to fund capital expenditures and to support business activities. To maximize the value of the company, every company needs to make a proper proportion of capital sources, i.e. debt and equity. The right proportion is to be determined as the optimal capital structure. Kutipanya as follows: "Capital structure is the strategy of the company in deciding the proportion of each element of capital sources to maintain its financial performance related to the fund of capital expenditure and to support of business activities. To maximize the value of the firm, every company needs to make a right proportion of its sources of capital, which are debt and equity. This right proportion then will be determined the optimal capital structure of the U.S. ".

D. Return On Asset (ROA)

Anwaar (2016) describes ROA is: "The ratio of Return on Asset determines how efficient the management is in using its assets to generate revenues". This means that the Return on Assets Ratio to determine how efficient management is at using its assets to generate revenue.

E. Return On Equity (ROE)

Anwaar (2016) explains: "ROE Return on Equity is an indication on how profitable a company is by comparing its average net income to its shareholders ' equity. The return on equity (ROE) ratio measures the earnings of the shareholders for their investment in the company. The ROE determines how effectively that investor's money is being self-employed. The higher the ratio of return on equity, the more efficient the company's management is in employing its equity and the better return is provided to the investors. " This means that the Return on Equity was an indication of how profitable a company by comparing the net profits with shareholder equity on average. Return on equity (ROE) ratio measuring income shareholders over his investment in the company. ROE determines that how effective investor money is used. The higher the return on equity ratio, the more efficient the management of the company in implementing equity and the better rate of return provided to investors

Research using the 5 variables, i.e. 3 independent variable, variable between 1 and 1 dependent variable. Independent variable i.e. the structure of capital, Return on Assets (ROA), Return on Equity (ROE). While the variable is the value between the companies, and the dependent variable was the Return of shares. As for the conceptual framework in this study, can be described as described as Figure 1 below.

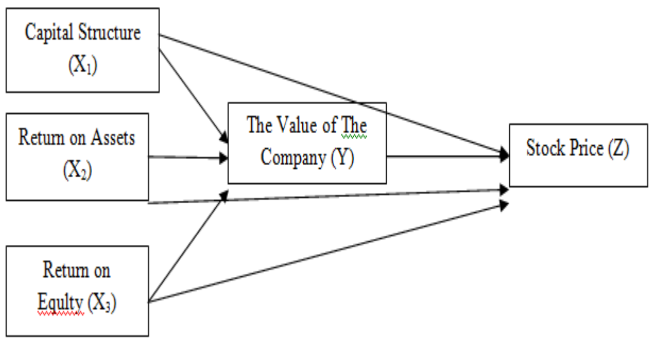

Fig 1:- The Conceptual Framework

F. Hypothesis

- The negative Effect of capital Structure and significantly to corporate values
- Return On Assets is positive and significant Effect against the value of the company
- Return On Equity positive and significant Effect against the value of the company
- The negative Effect of capital structure and significantly to the stock price.
- Return On assets are positive and significant Effect against the stock price
- Return on Equity is positive and significant Effect against the stock price
- Capital structure influence on stock prices through the value of the company
- ROA influence on stock prices through the value of the company
- The ROE effect on stock prices through the value of the company.
- The value of the company's positive and significant effect against the stock price

III. RESEARCH METHODS

Types of data used in this research is secondary data. Data collected more that relate to the figures, the financial value that is contained in the company's financial reports with the limitation period or year specific observations. Data were collected through internet access at www.idx.go.id.

The population in this research is the entire manufacturing sector companies were listed on the Indonesia stock exchange (idx). with the observation period starting from the year 2014-2016 which totaled 147 companies covering several sectors, namely: basic chemical and industrial sectors, industry sector as well as Various sectors of industrial consumer goods.

Sampling techniques in the study carried out on the basis of purposive sampling methods with the aim to obtain a representative sample in accordance with the criteria of a sample has been determined. This research uses data time series and cross section (pooling of data), and based on the

sampling criteria above, then the number of samples as much as 53 companies. Data analysis in this study using the method of path analysis (Path Analysis) with the help of Structural Equation Modeling (SEM). Analsisnya technique using Multiple Linear regression analysis with Partial Least Square approach (PLS).

➢ *Measurement of Variables*

1.Capital Structure.

Debt to Equity Ratio = Total Debt/Total Equity

2. Return on Assets (ROA).

ROA = (net income/Total assets) x 100%

3. Return on Equity (ROE).

ROE = (net profits/Total Capital) x 100%

4. The value of the company (NP).

In this research the value of a company is measured by the Price to book value (PBV) is a comparison between the market price per sheet with book value per stock shares. formulated as follows:

PBV = market price per stock sheet/book value book value per stock perlembar shares = Total Equity/number of shares outstanding.

5. The stock price (HS) Agustin and Hermanto, 2015 explains what is meant by stock price is the price that occur when a stock is traded in the market or rather called the closing price (closing price). The specified prices expressed in dollars and measured according to average annual prices.

IV. DATA ANALYSISRESEARCH

- *Classic Assumption Test.*

A. Testing the Normality of the Data

One-Sample Kolmogorov-Smirnov Test

		LNHS	NP	SM	ROA	ROE
N		130	130	130	130	130
Normal Parameters[a,b]	Mean	7.3090	2.1028	.8194	4.4126	7.4887
	Std. Deviation	1.50479	1.80244	.56865	4.56715	7.01039
Most Extreme Differences	Absolute	.065	.160	.115	.168	.160
	Positive	.065	.160	.115	.164	.160
	Negative	-.045	-.136	-.097	-.168	-.143
Test Statistic		.065	.160	.115	.168	.160
Asymp. Sig. (2-tailed)		.200[c,d]	.087[c]	.065[c]	.088[c]	.087[c]

- Test distribution is Normal.
- Calculated from data.
- Lilliefors Significance Correction.
- This is a lower bound of the true significance.

Source: results of the analysis of the sample company data

It turns out that variable as specified in the table above, all of which have greater significant Asymptotic 0.05. This means that the data has a bell shape distributions (normal).

B. Testing The Linearity Of The Data

In the table below, the level of significance all the smaller independent variable, 0.05. Thus, the independent variable in question has a linear relationship with the variable its independent..

Independent: LNHS

Dependent	Mth	Rsq	d.f.	F	Sigf	b0	b1
SM	LIN	.050	130	6.752	.010	1.438	-.085
ROA	LIN	.119	130	17.274	.000	-3.237	1.047
ROE	LIN	.110	130	15.773	.000	-3.790	1.543
NP	LIN	.271	130	47.472	.000	-2.451	.623

C. Multicollinearity Test

Coefficients[a]

Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
B	Std. Error	Beta	t	Sig.	Tolerance	VIF
6.377	.296		21.560	.000		
-.184	.242	-.070	-.760	.449	.646	1.549
.089	.088	.271	1.012	.314	.176	5.682
.015	.057	.068	.258	.797	.177	5.650
.380	.067	.455	5.646	.000	.834	1.199

- *Dependent Variable: LNHS*

Source: results of the analysis of the primary data

It turns out that the value of the corresponding variable VIF in the table above, all of which have the value < 10. Therefore, the data does not contain elements of multicollinearity.

D. Testing Heterokedastisitas

A classic assumption test heterokedastisitas (Variant factor bullies) is performed using Spearman Correlation analysis method (Spearman's rho) between the variant factor bullies with its independent variables.

Correlations

			LNHS	NP	SM	ROA	ROE
Spearman's rho	LNHS	Correlation Coefficient	1.000	.643**	-.211*	.281**	.296**
		Sig. (2-tailed)	.	.000	.016	.001	.001
		N	130	130	130	130	130
	NP	Correlation Coefficient	.643**	1.000	-.198*	.273**	.329**
		Sig. (2-tailed)	.000	.	.024	.002	.000
		N	130	130	130	130	130
	SM	Correlation Coefficient	-.211*	-.198*	1.000	-.129	.015
		Sig. (2-tailed)	.016	.024	.	.145	.864
		N	130	130	130	130	130
	ROA	Correlation Coefficient	.281**	.273**	-.129	1.000	.967**
		Sig. (2-tailed)	.001	.002	.145	.	.000
		N	130	130	130	130	130
	ROE	Correlation Coefficient	.296**	.329**	.015	.967**	1.000
		Sig. (2-tailed)	.001	.000	.864	.000	.
		N	130	130	130	130	130

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

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	2.311	.333		6.936	.000		
	SM	-.986	.309	-.311	-3.194	.002	.698	1.433
	ROA	.279	.114	.708	2.449	.016	.079	12.630
	ROE	.245	.072	.952	3.391	.001	.084	11.905

- Dependent Variable: NP

Source: results of the analysis with SPSS

The results of the first Structural Equations are:

NP = 0.311-BC + 0.708 ROA + 0.952 ROE

-direct influence of the capital structure of the company is-0311 or-31.1 percent with 0002, p-value less than 0.05. Means, the capital structure influential directly negatively and significantly to the value of the company.

-direct influence ROA against the value of the company is 0708 or 70.8 percent with p-value 0.016, smaller than 0.05. Means, ROA influential direct it positively and significantly to the value of the company.

-direct influence Company Value against ROE was 95.2 percent or 0952 with p-value less than 0.001, 0.05. Means, the ROE effect directly positively and significantly to the value of the company.

E. The Second Structural Equation Analysis Results

The second structural equation models are:

HS = PHS (SM) + PHS (ROA) + PHS (ROE) + PHS (NP) + e2

This model will be measuring the direct influence of endogenous variables exogenous variables against stock prices.

Source: results of the analysis with SPSS

The results of the first Structural Equations are:

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-direct influence ROA against the value of the company is 0708 or 70.8 percent with p-value 0.016, smaller than 0.05. Means, ROA influential direct it positively and significantly to the value of the company.

-direct influence Company Value against ROE was 95.2 percent or 0952 with p-value less than 0.001, 0.05. Means, the ROE effect directly positively and significantly to the value of the company.

F. The Second Structural Equation Analysis Results

The second structural equation models are:

HS = PHS (SM) + PHS (ROA) + PHS (ROE) + PHS (NP) + e2

This model will be measuring the direct influence of endogenous variables exogenous variables against stock prices.

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	VIF
1	(Constant)	6.377	.296		21.560	.000		
	SM	-.184	.242	-.070	-.760	.449	.646	1.549
	ROA	.089	.088	.271	1.012	.314	.176	5.682
	ROE	.015	.057	.068	.258	.797	.177	5.650
	NP	.380	.067	.455	5.646	.000	.834	1.199

a. Dependent Variable: LNHS

Sources: the results of data analysis with SPSS

The results of the second Structural Equation is below:

LnHS = 0.070-BC + 0.271 ROA ROE + 0.455 0.068 + NP

Capital Structure directly influences the price of the stock is-0070 or-7.0 percent with p-0449, value greater than 0.05. Means, the capital structure influential directly negative and insignificant against the stock price.

- Direct influence of the ROA against the stock price is 0271 or 27.1 percent with p-value 0314, is greater than 0.05. Means, ROA direct effect positively but not significantly to stock prices.
- Direct influence share price is against ROE 0068 or 6.8 percent with p-0797, value greater than 0.05. Means, the ROE effect directly in a positive but not significant toward stock prices.
- Direct influence NP against share price is 0455 or 45.5 percent with p-value 0000, smaller than 0.05. Direct effect means that the NP positively and significantly to the stock price.

G. Structural Equation Analysis Of The Results Of The Third

Structural equation model three is:

HS = PHS (NP) + e3

This model will measure the direct influence of the intervening variables (corporate values) of the endogenous variable stock price. Through the analysis of multiple regression using SPSS, obtained the following results.

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	VIF
1	(Constant)	6.396	.174		36.701	.000		
	NP	.434	.063	.520	6.890	.000	1.000	1.000

- Dependent Variable: LNHS

Sources: the results of data analysis with SPSS
The results of the Third Structural Equation is below:
LnHS = 0.520 NP

Its meaning is, there is a direct influence on the value of the company's Stock price is 0520 or 52.0 percent with p-value 0000, smaller than 0.05. Means, the value of the company's direct effect positively and significantly to the stock price.

Further, based on the results of the first and third structural analysis, can be counted the indirect influence of exogenous variables are endogenous variables through the intervening against the following:

Indirect influences capital structure are: PNP (B.C.) x PLnHS (NP) =-0311 = 0520-x 0163

Indirect influences ROA are: PNP (ROA) x PLnHS (NP) = 0708 x = 0520 0368

Indirect influences are: PNP ROE (ROE) x PLnHS (NP) = x 0952 0520 = 0495

Based on the results obtained, the research hypothesis testing was undertaken. To find out the significance and do not significantly influence indirectly referred to, then do a test (sobel Sobel test (Sobel, 1982). Sobel test done by way of testing the strength of the indirect influence of the independent variable (X) to the dependent variable (Y) through the intervening variables (Z).

Based on the Sobel test, indirect influence of each exogenous variable (capital structure, ROA and ROE) against endogenous variables (stock price) through the Intervening Variables (corporate values) do not influence his immediate Significance is as the following:

(i) the Sobel Test for influence of Variable Structure Indirect Capital against the value of the company Through stock price

Results

Indirect Effect $(a \cdot b) =$	-0.429
Sobel's SE $= \sqrt{[(a \cdot SEb)^2 + (b \cdot SEa)^2]} =$	0.147
$Z =$ Indirect Effect ÷ Sobel's SE =	-2.910
$p =$	0.004
Standardized Indirect Effect $= (\beta_a \cdot \beta_b) =$	-0.163
Portion of $(X \rightarrow Y)$ due to M $= (c - c')/c =$	100.0%

(ii) the Sobel Test for influence of Indirect Variable ROA against the Return of shares through the company's value

Results

Indirect Effect $(a \cdot b) =$	0.121
Sobel's SE $= \sqrt{[(a \cdot SEb)^2 + (b \cdot SEa)^2]} =$	0.053
$Z =$ Indirect Effect ÷ Sobel's SE =	2.306
$p =$	0.021
Standardized Indirect Effect $= (\beta_a \cdot \beta_b) =$	0.368
Portion of $(X \rightarrow Y)$ due to M $= (c - c')/c =$	100.0%

(iii) the Sobel Test for influence of Indirect Variable ROE Against Return of the stock through the company's value

Results

Indirect Effect $(a \cdot b) =$	0.106
Sobel's SE $= \sqrt{[(a \cdot SEb)^2 + (b \cdot SEa)^2]} =$	0.035
$Z =$ Indirect Effect ÷ Sobel's SE =	3.051
$p =$	0.002
Standardized Indirect Effect $= (\beta_a \cdot \beta_b) =$	0.495
Portion of $(X \rightarrow Y)$ due to M $= (c - c')/c =$	100.0%

Recapitulation of the test results of each variable against the value of the company and the stock price is seen in the table below:

The influence of the direct, indirect and Total Influence

HIP	Variable			The influence of the			value	Description	
	Exogenous	Intervening	Endogenous	Direct	Not Directly	Total			
1	Capital Structure (CS)	The Value Of The Company (TVOTC)	-	-0.311	-	-0.311	0.002	Negatif&Signifikan	Accepted
2	Return on Asset (ROA)	The Value Of The Company (TVOTC)	-	0.708	-	0.708	0.016	A Positive &ignificant	
3	Return on Equity (ROE)	The Value Of The Company (TVOTC)	-	0.952	-	0.952	0.001	A Positive & Significant	Accepted
4	Capital Structure (CS)	-	Stock Price (SP)	-0.070	-	-0.070	0.449	Negative & insignificant	Rejected
5	Return on Asset (ROA)	-	Stock Price (SP)	0.271	-	0.271	0.314	Positive & insignificant	Rejected
6	Return on Equity (ROE)	-	Stock Price (SP)	0.068	-	0.068	0.797	Positive & insignificant	Rejected
7		The Value Of The Company (TVOTC)	Stock Price (SP)	0.520	-	0.520	0.000	A Positive & Significant	Accepted
8	Capital Structure (CS)	The Value Of The Company (TVOTC)	Stock Price (SP)	-0.070	-0.163	-0.233	0.004	Negative & Significantly	Accepted
9	Return on Asset (ROA)	The Value Of The Company (TVOTC)	Stock Price (SP)	0.271	0.368	0.639	0.021	A Positive & Significant	Accepted
10	Return on Equity (ROE)	The Value Of The Company (TVOTC)	Stock Price (SP)	0.068	0.495	0.563	0.002	A Positive &Significant	Accepted

Source: data analysis results 2018

H. Discussion

- *The Influence Of The Capital Structure Of The Company*

The results of the analysis and testing that has been done shows there is a negative and significant effect of capital structure (as measured by DER) against the value of the company (as measured by PBV). In accordance with the theory of trade off, if the capital structure target is above optimal, so any added debt will decrease the value of the company. The results of this research are consistent with research done Sari dkk (2013) and Safitri (2015) which explains the negative influence and DER significantly to corporate values) that describe the negative influence and DER significantly. The results of this study are inconsistent with research Languju, et al. 2016 which indicates capital structure as measured by debt to equity ratio not significantly influential to the direction of positive relationship towards the company's values (PBV).

- *The influence of the value of the roa against the value of the company*

The results of this study indicate that the variable is positive and significant influential ROA against the value of the company. These results can be interpreted that with a high ROA showed the company's prospects are good, so investors will respond to the positive signal (signal theory) and the value of the company will be increased.

The results of this study are consistent with the research and Chabachib Misran (2017) and Saleh et al (2015) stating ROA as one positive effect measurement of the company's profitability and significantly to the value of the company.

The results of this study do not support the results of the research of garments closely resemble dkk, (2016); Hermuningsih and Qualified (2015) that indicates the Return on asset does not affect the value of the company,.

- *The Influence Value Of Roe Against Corporate Values*

The results of the analysis and testing that has been done shows there is a positive and significant effect of the value of the ROE that owned the company against the value of the company. This means that the higher the company's capability in generating profit then it will further improve the value of the PBV as a proxy of the company value. This happens because investors will be more interested to the company that has a good capability in print. Thus the higher this ratio will then the better the position the company which means that the greater the company's ability to cover the investment being used. This can allow companies to finance the investments of the Fund that came from internal resources available in the profit being held, so that information in the ROE will be a positive value for investors and can boost the value of the company.

This research is consistent with research Languju dkk (2016) and Saleh et al (2015) shows that significant effect with ROE direction positive relationship towards the company. But the results of this research were not in line with the research of Karima (2016) explaining that ROE is valid and realible as the measurement of financial performance of the company and has a negative influence and significant value of the company.

- *Capital Structure Influence Against share price statistical*

Test Results indicate there is a negative influence and capital structure of insignificant against the stock price. Negative influences can be interpreted i.e. the greater the composition of debt in the capital structure of the company, it will further lower the share prices of such companies.

The results of this study showed the effect not DER significantly to stock prices. The results of this research show that investing investors do not pay attention to DER as one consideration in investment decisions for any increase or decrease in DER changes do not affect the stock price. In other words, investors are not too worried about DER in determining whether to buy or sell stocks, because every company must have a debt and debt at a certain level also will improve the performance of a production company.

The study results support research results (2017) and Wahyuni Safitri (2013) which explains the negative but not influential DER significantly to stock prices that can be analyzed and downs DER does not affect stock prices. This research does not support the study results Hasudungan (2017); Ratih (2013) and Sari dkk (2013) which explains the negative influence and DER significantly to stock prices.

- *Roa Influence Towards The Stock Price*

The results of the statistical test shows a positive influence and there are not significant of the ROA against the stock price. This positive influence means the larger the value of companies owned by the ROA, it will further improve the stock price.

Statistical results showed insignificant give information meaning that profitability is described by ROA published in financial reports less informative to investors in mengestimasi return. ROA ratio yet to describe the actual operating profit, because the calculation using the logging results profit ROA accrual basis. So investors are more likely to use the cashflow in taking investment decisions. The market does not respond to ROA as the information can change their beliefs, so as not to affect the stock price indicates that investors are not too make ROA as the main indicator in determining the investment options on shares and to predict the price of shares in the capital market. The results of this study are in line with research Tamuntuan, (2015) and rooms (2017) that the results show that the stock price is not influenced positively and significantly by ROA. This research does not support research Avdalovic and Milenkovic (2017); Purnamawati (2016) and Susana (2016 which indicates that the stock price is influenced in a positive and significant by ROA.

- *Influence Of Roe Against Share Price*

The test results influence ROE against share price showed positive results and not significant. This positive influence means the larger the value of ROE that is owned by the company, it will further improve the stock price.

Not berpengaruhnya ROE against stock price indicates that most investors are not interested in considering ROE company in investment decisions. Investors do not only pay attention to the internal capabilities of the company in generating profits but pay attention to external risks and market conditions. The risk of external or outside the control of the company can be in the form of inflation, rate increase, a change in economic policy as well as politics. Supply and demand in the capital markets was also influential in investment decisions which can lead to fluctuations in stock prices.

The information conveyed in the form of the ROA management less responded to complaints by investors because the investors do not just pay attention to the internal capabilities of the company in generating profits but pay attention to other factors in the decision their investment.

This research is consistent with research Hasudungan dkk (2017) that concluded that the Return On Equity (ROE) has a positive and significant relationship not with the stock price. Research is not in line with the research room (2017); Trine dkk (2016); Manoppo (2015) and Ruth dkk (2013) that produces a positive and significant effect ROE against stock prices.

- *The Indirect Influence Of The Structure Of The Capital Against The Value Of The Company Through Stock Price*

Based on the theory of capital structure States that the debt can lead to tax savings, but on the other hand may cause the cost of financial hardship (financial distress), meaning the company has a certain amount of debt is said to be good, owe too much is not good, and there are a number of debt that is optimal for each company. The higher the DER as a proxy capital structure, reflecting the higher level of debt of the company. The high ratio shows the composition of the total debt is so large compared to the total capital own increase the risk the investor is received as a result of interest expenses on debt incurred by the company which will then cause a decline in the stock price. The results of this study support the Hasudungan (2017); Ratih (2013); Sari dkk (2013) and Safitri (2015) which explains the negative influence and DER significantly to stock prices. The results of this study are inconsistent with research Purnamawati (2016), Ircham dkk (2014) and Susana (2016) that States have a positive influence and DER significantly to stock prices.

- *The Indirect Influence Of The Roa Against The Stock Price Through The Value Of The Company*

High profitability shows the company's prospects are good, so investors will respond positively to these signals and the value of the company will be increased. This can be understood because the company who managed to obtain the profit increase, indicated the company had a good performance, so that it can create positive sentiment of investors and can boost the value of the company. (Sujoko and Soebiantoro, 2007). With the increase in the value of companies it will attract investor interest to invest. This is certainly going to increase demand for shares of the company. The increase in demand will push the company's stock price to move up. The results of this research confirms the condition that the indirect influence of the ROA through the value of the company has a positive influence and significantly to the stock price.

The results of this research are consistent with research conducted by Avdalovic and Milenkovic (2017); Purnamawati (2016) and Susana (2016) research results indicate that stock prices are influenced in a positive and significant by ROA. These results indicate that the rise in stock prices caused due to high ROA who owned the company. This research is not sejelan with Tamuntuan research, (2015) and rooms (2017) that the results show that the stock price is not influenced positively and significantly by ROA.

- *The influence of indirect roe against stock prices through the value of the company.*

The results of this study confirmed that indirect influence through ROE have a positive affect company value and significantly to the stock price.

Return on Equity (ROE) ratio is very important for owners of the company (the common stockholder), because this ratio indicates the level of return generated by the management of the capital provided by the owner of the company. The higher the value of profit earned will be the higher the value of the company. Because of the high profit will provide a good indication of the company's prospects so it could trigger investors to increase demand for the stock. The company will give a positive signal to investors for his company's prospects in the future. So investors will be keen to impart its stake in the company. Demand increased stock value will cause the stock price to increase.

The results of this study support the research the research room (2017); Trine dkk (2016); Manoppo (2015) and Ruth dkk (2013) that produces a positive and significant effect ROE against stock prices. This research is not in line with the results of the research of Susana (2016); Ircham dkk (2014) as well as Mogonta and Pandowo (2016) showed a negative and significant effect ROE against stock prices.

- *The Influence The Company's Share Price Against The Value*

The results of the statistical test shows there is a positive and significant effect of the value of the companies against the stock price. This means that the larger the value of PBV are owned by the company, it will further improve the company's share price. This happens because the Price to Book Value (PBV) is is a variable that describes how large the market appreciates the book value of a stock. The larger this ratio illustrates the confidence the market will be the company's financial prospects and invite positive response from interested investors to buy shares of the company which in turn caused the stock price of the company being ride.

The results of this research supports research Avdalovic and Milenkovic (2017), Saberi (2017) and Fitriani (2016) States a significant positive effect against PBV stock price. This means that if the value of the company increases the price of the stock will increase. However this is not in accordance with the research Satriawan (2016) that the results of his research shows the value of the company does not have an effect on stock prices.

V. SUMMARY AND ADVICE

A. Conclusions

- The negative effect of capital Structure and corporate value at significantly to manufacturing companies listed on the Indonesia stock exchange, when the same was negative and not significant effect against the stock price on a manufacturing company. An indirect negative effect of capital structure and significantly to the stock price, through the company's value at manufacturing companies listed on the Indonesia stock exchange.

- Return On assets are positive and significant effect against the value of the company at the manufacturing companies listed on the Indonesia stock exchange, but the effect was not significant and positive towards the stock price. Indirectly, the Return On Assets is positive and significant effect against the stock price through the value of the company at the manufacturing companies listed on the Indonesia stock exchange.
- Return On Equity is positive and significant effect against the value of the company at the manufacturing companies listed on the Indonesia stock exchange, but the effect was not significant and positive towards the stock price. Indirectly, the Return On Equity is positive and significant effect against the stock price through the value of the company at the manufacturing companies listed on the Indonesia stock exchange.
- The value of the company's positive and significant effect against the stock price at the manufacturing companies listed on the Indonesia stock exchange.

B. Advice

Notice summary that has been put forward before, then it is recommended as follows:

C. Advice

Notice summary that has been put forward before, then it is recommended as follows:

- The results showed that a third of the free variable (DER, ROA, ROE) who researched the effect are not significantly to the stock price at the manufacturing companies listed on the Indonesia stock exchange. However, the Return on Equity has the biggest influence on the stock price. Therefore, the managers of manufacturing companies should be paying attention to the effectiveness of the use of profitability of the asset so that the company's Equity could be improved. Special investors not to get too focused on the third of these variables into consideration but should consider also the condition of the other company, the condition of the stock market and macro-conditions of a country where investors make an investment.
- The lines that produce the greatest total influence between endogenous variables against exogenous variables is path: ROA □ □ Return value of the company stock. Therefore, the managers of manufacturing companies registered in BEI need direct financial policies and the policies of the company operations to ensure the effectiveness of the use of the assets of the company and is directed to the increase of the value of the company. Thus, the company's stock price can be increased.
- The value of the company is the intervening variables are meaningful, because it managed to increase the influence of exogenous variables against the total endogenous variable. This can be interpreted that investors are more interested in seeing the company values (PBV) as a reflection of the success rate of management in running the company and manage the resources reflected in the share prices of the end of the year. Therefore, company managers must be able to ensure the stability of the value of the company. The third variable (DER, ROA, and ROE) is a financial ratio that can be consider to stabilize the value of the company because the influential third variable significantly to the value of the company. The composition of the debt the company reasonably or optimum capability and create the debt as well as how the company uses its own resources to be able to provide the maximum profit is the thing that needs to be attentive in order to be increase the value of the company which in turn can raise the stock price as a condition for the achievement of the expected prosperity shareholders.

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