

Research Article

The Effect of Debt to Equity Ratio and Price Earning Ratio on Stock Price with Moderating as BI Rate Variable in Retail Sector Companies Listed in Indonesia Stock Exchange (IDX)

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Abstract: *The purpose of this research is to know the effect simultaneously and partially between debt to equity ratio and price-earnings ratio to the stock price, to know whether BI rate moderate influence of debt to equity ratio and price earning ratio to stock price. The population used in this study is a retail sector company listed on the Indonesia Stock Exchange (IDX) from 2008 to 2017. The sample of this study is five companies using purposive sampling method. The method of analysis in this study is multiple regression analysis and processed with SPSS software version 22. The result of research shows that: (1) simultaneously debt to equity ratio and price earning ratio have significant effect to share price, (2) partially debt to equity ratio not (3) partially price earnings ratio has a significant effect on stock price, (4) BI rate is able to moderate the relationship between debt to equity ratio and price earnings ratio to stock prices. The BI rate weakens the relationship between the debt to equity ratio to the share price, whereas the relationship between the price-earnings ratio to the BI rate share price can strengthen the relationship.*

Keywords: *Stock Price, BI Rate, Debt to Equity Ratio, Price Earning Ratio.*

INTRODUCTION

Indonesia's economy is increasingly optimistic over the years make the business world is growing. The growth is in line with the era of economic globalization facing the world community. Economic growth will lead to changes in the lives of the people, the lifestyle, way of thinking and behavior, which has a growing desire to invest either in the form of stocks, bonds, or in other forms of investment. With the increasingly high public interest for investment firms take advantage of the situation to obtain additional capital to its survival by selling their shares to the capital markets.

This phenomenon will bring stock trading tight competition between existing companies. Therefore the active role of capital market institutions needed to support the economy of a country. The capital market is a meeting place for those who have excess funds to those who need funds from reducing long-term funds (securities) are investment funds that attachment in more than one year. Capital markets have an important role in economic activity in the country because the

stock market can be an alternative source of funding for the company.

Stock trading in the capital market is now sufficiently developed among the company's retail sector. The retail industry is predicted to continue to increase every year and is seen as a lucrative industry such as supermarkets, department stores, and more. Along with the increase in economic growth in 2015 slowed economic conditions in Indonesia that led to the retail industry was affected. The development of this industry slowed due to weaker purchasing power, and the weakness of the rupiah against the dollar. In future prospects, the retail industry in Indonesia is seen still has great potential. This can be evidenced by the emergence of several new retail companies in Indonesia within the last two years amid the decline of the Indonesian economy.

To maintain business continuity companies often invest in the capital market that aims to increase its profit. The investment itself is an activity placed funds in one or more asset during a certain period in the

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hope of generating revenue or an increase in the value of the initial investment (capital).

In connection with the investment in capital markets, the Indonesian government considered that the capital market is a means to support the acceleration of economic development of Indonesia. This is possible because the movement of the capital market to raise long-term funds from the public (investors) are then channeled to the productive sectors in the hope that the sector can develop and produce the new job field for the community.

Prior to any investment, investors need to know and choose stocks which can give optimum benefit for the funds invested. In the analytical work and pick stocks, investors need information that is relevant and adequate through the company's financial statements. In this connection, Bapepam through Bapepam Chairman Decree No. Kep 38 / PM / 1996 on the annual report, has required the issuer to deliver an annual report that there should be transparency in the disclosure of information related various the issuer's performance. By investing in the capital market can increase the profit of the company. The investment itself is an activity placed funds in one or more asset during a certain period in the hope of generating revenue or an increase in the initial investment (capital), which aims to maximize the yield (return) is expected within the limits of acceptable risk for each investor (Jogiyanto; 2000).

Rise and fall of stock prices is a reflection of the change in stock price changes every second. The change depends on the issuer as power supply and power brokers as demand. While outline, the factors that affect stock prices can be divided into two, namely the external factors and internal factors. External factors are factors outside the company and can not be controlled by the company. While internal factors are that come from within the company and can be controlled by the company. Investors are also concerned to undertake to forecast to changes in capital markets by way of knowing what variables that affect stock price fluctuations and how to shape the relationship between these variables.

Simply put stock prices reflect changes in investors' appetite for the stock. If the demand for a stock is high, then the stock price will tend to be steeper. And vice versa, if at the demand of the stock is low, then the stock price will decline (Subiyantoro and Andreani, 2003).

The stock price is a factor that makes investors invest funds in the capital market due to reflecting the return on capital. In principle, investors buy stocks is to get dividends and sell these shares at a price dramatically higher (capital gains). The issuer can generate profits even steeper will increase the level of

return obtained by investors reflected in the stock price of these companies.

Every investor or potential investor has a specific goal to be achieved through investment decision making. In general, the investment motive is profit, security, and growth funds invested. For that purpose in investing in stocks, investors should undertake an analysis of the factors that may affect the issuer company. The goal is that investors get a clearer picture of the ability of the company to continue to grow and evolve in the future.

The investor is a party that would invest in a company. Therefore, the investors should know how the company's performance, because it is through the company's performance can be seen whether the company is experiencing growth or decline. The size of the company's performance the most widely used is the analysis of the performance of the company's financial statements. Financial statement analysis can be done using the calculation of financial ratios. The ratio is often used to analyze the performance of the company are the liquidity ratio, solvency, profitability ratio, activity ratio, and the ratio of the market.

The solvency ratio is used to measure the amount of debt (long-term debt and short-term debt) with the company's own capital. Debt to equity ratio (DER) is one of the solvency ratios. Debt is the financial management is aimed at improving the company's financial performance. If companies rely on the capital of the company alone, surely the company will be difficult to conduct business development which requires additional capital. In these circumstances, debt plays a very important to help the company develop the company.

The market ratio is the ratio used to determine the financial performance of a company's development. Ratios can be found cheap or expensive a stock. Price earning ratio (PER) is the ratio of stock prices to the company's net profit in a year. Her focus is the net profit generated by the company, it can be known whether the stock price is considered reasonable or not real, not estimates.

In addition to internal factors, external factors can also affect an investment such as the effect of monetary and fiscal policy, the development of the industrial sector, inflation, and the BI Rate. BI rate level changes will affect stock prices upside down, *ceteris paribus* which in conditions of rising interest rates will increase the company's interest expense that companies that have high debt will have the impact of rising interest rates and the company's profitability will decline. Declining profitability will affect the income of dividends to be received by investors, so investors will switch to other types of investments that can provide a better return.

In this study, researchers used a company engaged in retail, the company that is part of the retail sector, PT. Ace Hardware Indonesia Tbk, PT. Catur Adiprana Sentosa Tbk, PT. Matahari Putra Prima Tbk, PT. Mitra Adiperkasa Tbk, PT. Ramayana Lestari Sentosa Tbk. The retail industry is predicted to continue to increase every year and is seen as a lucrative industry for all types of businesses such as supermarkets, department stores, and more. However, in 2015 economic conditions that cause in Indonesia slowing retail industry was affected. The development of this industry seen slowing caused by the fall of the purchasing power of people, and the weakness of the rupiah against the dollar. In future prospects, the retail industry in Indonesia is seen still has great potential.

Literature Review

Financial Ratios

In undertaking the analysis and interpretation and analysis of financial statements companies, financial analysts need a certain size. Measure often used in the financial analysis is the "ratio" (Riyanto, 2010). The ratio of a portrait of a relationship between an amount or consideration certain other amounts, and by using the analysis tools in the form of this ratio can be explained or give an overview to the analyzer about the good or bad situation or financial position of a company (Munawir, 2010). According to Ang (2009), financial ratios can be grouped into five (5) types based on the scope or objectives to be achieved.

Liquidity Ratio

This ratio is used to measure the ability of short-term (less than one year) in the company to fulfill its maturing obligations. The ratio could be divided into three (3) types:

➤ Current Ratio

- The aim of this ratio to measure a company's ability to meet its short-term liabilities with its current assets completely liquid.

➤ Net Working Capital

- This ratio is used to calculate the difference between the assets by short term current liabilities.

Activity Ratios

This ratio shows the ability and efficiency in the company tapped treasures. Activities can ratio is divided into six (6) types, namely:

- Total Asset Turnover, This ratio indicates the ability of the funds that are embedded in the overall assets of spins in a certain period.
- Fixed Asset Turnover, This ratio aims to measure the efficiency of utilization of fixed assets of the company to support sales activities.
- Accounts Receivable Turnover, This ratio is used to measure how quickly the receivables are collectible so that turned into cash.

- Inventory Turnover. This ratio is used to measure the speed of rotation (turnover) inventories into cash.
- Average Collection Period, The ratio which is used to measure the efficiency of the management of accounts receivable, which shows the average age of bill of accounts receivable during the year.
- Days Sales in Inventory, This ratio is used to measure the performance and efficiency of the management that shows the average duration of supply in a year that turned into cash.

Profitability Ratios

This ratio shows the company's success in generating profits. This ratio can be divided into six (6) types, namely:

- Gross Profit Margin (GPM)
- The ratio is used to measure the level of return gross profit to net sales.
- Net Profit Margin (NPM)
- This ratio is used to measure the level of return net profit to net sales.
- Operating Return On Assets (OPERA)
- This ratio is used to measure the rate of change of the company operating profits of all assets used to generate the operating profit.
- Return On Assets (ROA)
- This ratio is used to measure the effectiveness of the company in generating profits using activity.
- Return On Equity (ROE)
- This ratio is used to measure the level of return the company or the effectiveness of the company in generating profits to take advantage of the equity being owned by the company.
- Operating Ratio (OPR)
- This ratio is used to measure the rate of change of the company operating profit to net sales generated value.

Solvency Ratios

This ratio indicates the company's ability to meet long-term liabilities. This ratio is also called leverage ratios. Solvability ratio can be divided into 5 (five) types, namely:

- Debt Ratio
- This ratio to total assets who owned the company.
- Debt To Equity Ratio (DER)
- This ratio is used to measure the level of leverage of the total equity capital.
- Long-Term Debt To Equity Ratio
- This ratio is used for long-term debt to equity.
- Times Interest Earned
- This ratio shows the ability of the results of business profit (operating profit) to meet interest expenses to be paid.
- Cash Flow Ratio
- This ratio is used to measure the performance of the company's cash flow to other components in the statement of cash flows.

Market Ratios

This ratio shows important information disclosed in the company per share basis. The ratio of this market can be divided into seven (7) types:

- Dividend Yield (DY)
- This ratio is used to measure the amount of dividend per share relative to the market price expressed as a percentage.
- Dividend Per Share (DPS)
- The ratio is used to measure the amount of dividend per share.
- Earning Per Share (EPS)
- The ratio that shows the share of profit for each share.
- Per Dividend Payout Ratio (DPR)
- The ratio used to measure the ratio of dividends to earnings of companies.
- Price Earning Ratio (PER)
- The ratio that shows how much profit is obtained shareholder per share.
- Book Value Per Share (BVS)
- The ratio that measures the ratio of total own capital (equity) to the number of shares.
- Price to Book Value (PBV)
- This ratio is used to measure the performance of the stock market price of the book value.

Debt to Equity Ratio (DER)

Debt to equity ratio is an indicator of the proportion of corporate debt to investment stock. Debt holder's equity ratio reflects the company's financial risk placed on the shareholder as a result of its financial leverage. Debt to equity ratio (DER) reflects the company's ability to meet all of its obligations, which is indicated by how much a part of their own capital is used to pay the debt. Therefore, the lower the DER, the higher the company's ability to pay its liabilities. The greater the proportion of debt used for the capital structure of a company, the greater the obligation.

The increase in debt, in turn, will affect the size of net income available to shareholders including dividends to be received, because these obligations take priority over dividend distribution. If the higher debt burden, the company's ability to distribute dividends will be lower. Debt to equity ratio is calculated by total debt divided by total stockholders' equity.

According to Gibson (2008: 70) "Debt to equity ratio is another computation that determines the entity's long-term debt-paying ability". According to Husnan (2008: 70) explains that the 'debt-to-equity ratio shows the ratio between debt and own capital. According to Horne and Wachovia (2009: 145), debt to equity is computed by simply dividing the total debt of the firm (including current liabilities) by its shareholders' equity. Debt to equity ratio is a simple calculation that compares the total debt of the company's shareholder capital. Meanwhile, according to

Sawir (2007-13) explained that the debt to equity ratio is the ratio that describes the ratio of debt and equity in funding the company and show the ability of the integration of equity capital to meet all its obligations.

Debt to equity ratio is a ratio used to measure the level of leverage (use of debt) to total shareholders equity owned company (Ang, 2008: 18:35). This factor reflects the company's ability to meet all its obligations shown by some sections of their own capital is used to pay the debt. The greater this ratio indicates the greater obligations and that the lower the ratio the higher will demonstrate the company's ability to meet its obligations. If the company determines that the repayment of the debt will be deducted from retained earnings, meaning the company must hold the majority of its revenues for this purpose, which means only a small portion of the revenue that can be paid out as dividends (Riyanto, 2001: 267).

Price Earning Ratio (PER)

Price earning ratio (PER) is used by various parties or investors to buy stocks. Investors will buy shares of companies with a high price-earnings ratio, because of the high price earning ratio illustrates the net income per share is quite high. According to Darmadji (2009: 139), PER describe market appreciation on the company's ability to generate profits. According to Garrison and Noreen (2007: 594), Price earning ratio is the relationship between the market price of shares and earnings per share. In addition, PER is used extensively by investors as a general guide to measuring the value of the shares.

Price earning ratio high means that investors are willing to pay more for stocks - possibly because the company is expected to have higher growth than the average future earnings growth. Conversely, if investors believe the outlook for earnings growth that will come is not good, relatively low price earning ratio. Meanwhile, according to Sawir (2009: 20), PER is a simple ratio obtained by dividing the market price of stocks with EPS. The number of dividends paid by the company depending on the magnitude of the EPS and the dividend payout ratio, which indicates the share of profits distributed as dividends. And according to Ayu (2012), price earning ratio (PER) is the ratio of stock price to earnings per share and is an indicator of the development or growth of the company in the future (prospects of the firm).

According to Lev (2008: 73) price earning ratio (PER) is the ratio obtained from the market price of the common stock divided by the earnings per share (EPS), the higher this ratio indicates that the company's performance also improved, otherwise if the PER is too high can also indicate that the stock price offered is very high or irrational. Price earning ratio is low value could be because the stock price tends to decrease or due to increasing the company's net profit. For

investors, lower price earning ratio will contribute its own, because, in addition to buying shares at relatively low prices, the possibility for capital gains is also getting bigger so that investors can have many stocks of companies that go public. Instead, issuers want high price-earnings ratio at the time of going public to show that the company's performance is quite good with the hope that the share price will be higher as well.

BI Rate

"The interest rate is the price of the use of money for a certain period of time or the price of the use of money which is used at the moment and will be returned at a future time" (Herman: 2003). According to Laksmono (2001), the value of domestic interest rates in Indonesia is highly correlated with the level of international interest rates. This is caused by the financial market domestic access to the international financial market and exchange rate policies are less flexible. In addition to the international interest rate, the discount rate interest Indonesia (SBI) is also an important factor in determining the interest rate in Indonesia. According to Keynes' interest rate is determined by the demand and supply of money. In the face of rising interest rates, shareholders will hold the shares until the interest rate back to the level that is considered normal. Conversely, if long-term interest rate increases, shareholders tend to sell their shares because of higher selling prices. The rate hike would be devastating for the capital market.

SBI interest rate movements are volatile and tend to rise will affect the real sector, as reflected by the movement of the stock return. As a result of rising interest rates, the investors would prefer to invest their money in banks rather than investing in shares (Dornbusch and Fischer, 2005). The rate hike would be devastating for the capital market. SBI interest rate movements are volatile and tend to rise will affect the real sector, as reflected by the movement of the stock return. As a result of rising interest rates, the investors would prefer to invest their money in banks rather than investing in shares (Dornbusch and Fischer, 2005) The rate hike would be devastating for the capital market. SBI interest rate movements are volatile and tend to rise will affect the real sector, as reflected by the movement of the stock return. As a result of rising interest rates, the investors would prefer to invest their money in banks rather than investing in shares (Dornbusch and Fischer, 2005)

In this experiment, the SBI rate. Bank Indonesia Certificates (SBI) are securities issued by Bank Indonesia in recognition of short-term debt (1-3 months) with a discount system/flowers. The interest rate applicable to each sale of SBI is determined by market forces based on an auction system. Since the beginning of July 2005, BI using the mechanism of "BI" (BI rate), the central bank announced interest rate target desired SBI for the auction during a certain period. BI rate is then used as a reference for market participants in the auctions.

RESEARCH METHODS

Framework

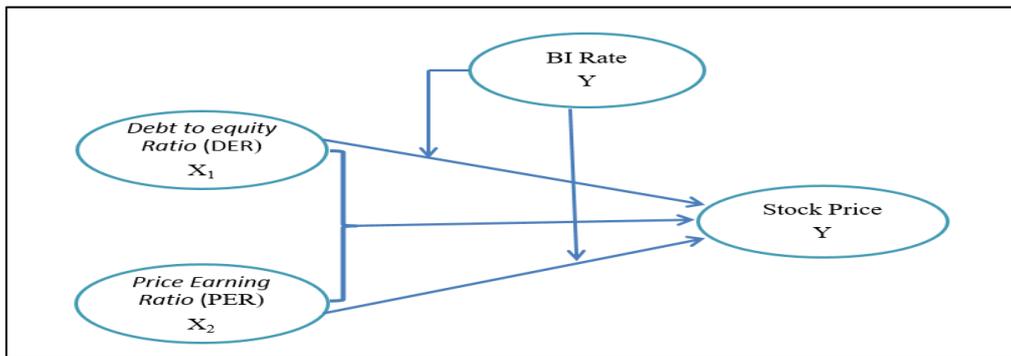


Figure1. Theoretical Framework

Population and Sample Research

A population is a group of people, events, or anything that has certain characteristics (Indriantoro and Supomo, 2012). The population used in this study is a retail sector company listed on the Indonesia Stock Exchange (BEI) from 2008 to 2017, this research using sampling techniques to facilitate research. Retail sector company used because it has a large composition on the stock exchange with large sample variations as well as investments in the retail sector in the BEI is increasing.

Samples are some of the elements of the population studied. Sampling should be done in a way that can be obtained samples truly represent the actual population, in other words, the sample should be representative. Selection of the sample is done by using purposive sampling method with the aim to obtain representative samples in accordance with the criteria specified (Indriantoro and Supomo, 2012) sample selection criteria that will be examined are:

- Registered as a retail sector company and publish the financial report and annual report for the

period 2008 to 2017 (per term). It is intended for continuous data.

- Companies that publish complete data from 2008 to 2017 related to variable stock prices, debt to equity ratio, price earning ratio, and the BI rate. It is intended for the completeness of the data.

Types and Sources of Data

The data were derived from secondary data, which is derived from the Company's Financial Statements retail sector published on the Indonesia Stock Exchange period 2008 to 2017, which is contained in the annual report, ICMD (Indonesian Capital Market Directory), IDX Quarterly 2008-2017, website www.idx.co.id.

Data Collection Technique

1. Debt to Equity Ratio and Price Earning Ratio on Stock Price

To see the effect of variable debt to equity ratio and price earning ratio simultaneously on stock prices, seen the results of calculations in the model summary, as follows:

Table1. Debt to equity ratio price earning ratio and simultaneously on stock price

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.416a	.173	.126	.53442

a. Predictors: (Constant), PER_X2, DER_X1

The magnitude of the numbers R Square (R2) is 0.173. This figure is used to see the effect of the variable debt to equity ratio (DER) and price-earnings ratio (PER) to the stock price by calculating the coefficient of determination (KD) using the following formula:

- $KD = R2 \times 100\%$
- $KD = 0.173 \times 100\%$
- $KD = 17.3\%$

The figure shows that the effect of the debt to equity ratio (DER) and price-earnings ratio (PER) simultaneously to the stock price is 17.3%, while the

The data collection was done by a search of secondary data, which is done by the decision and manual. The data used in this study was obtained from IDX Quarterly and Indonesian Capital Market Directory 2008 to 2017. The method used is the method of documentation. Documentation method is to find, collect, record and assess data on things or variables in the form of records, documents, transcripts, books, newspapers, magazines, journals, websites and so on. It intended to collect all the data that is needed to answer the question of research and enrich the literature to support the quantitative data.

RESEARCH RESULT

In this part of the analysis is divided into two. First, look at the effect in combination (simultaneously) a second, look at the effect partially.

remaining 82.7%, influenced by other factors. In other words, the variable stock price can be explained using the variable debt to equity ratio (DER) and price-earnings ratio (PER) of 17.3%, whereas the effect of 82.7% caused by other variables outside the research model, such as economic conditions, government policies, and other company fundamentals such as profitability ratios and so forth.

To determine whether the regression model above is correct or incorrect, hypothesis testing is required. Test the hypothesis using numbers F as indicated in the table below:

Table2. Hypothesis Testing

ANOVAa						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2,093	2	1,046	3,664	.036b
	Residual	9,996	35	.286		
	Total	12,089	37			

a. Dependent Variable: HS_Y

b. Predictors: (Constant), PER_X2, DER_X1

To determine the impact of significant or not jointly independent variable on the dependent variable then use a probability of 5% ($\alpha = 0.05$). If the probability (sig) F-count value < 0.05 then the independent variables simultaneously significant effect on the dependent variable. Seen in Table 2 above probability (sig) F-count value of 0.03 less than 0.05 means that there is significant influence between DER and PER on the stock price. In other words, these

independent variables simultaneously affect the dependent variable.

This can also be seen from a comparison between the F-count the F-table. By hypothesis reads:

- HO: DER and PER no significant effect on stock prices.
- HA: DER and PER significant effect on stock prices.

Where if F count > F-table, the HA is received or jointly DER and PER can explain the dependent variables simultaneously. Conversely, when the F-count < F-table, then the HO is accepted or jointly independent variable has no impact on the dependent variable. In the table above 2, F-count value amounted to 3.66 greater than the F-table at 2.88 and then HO rejected and HA is received, it is concluded DER and

PER significant effect on the share price at the level of $\alpha = 0.05$

2. Debt to Equity Ratio and Price Earning Ratio on Stock Price

To see the effect of the variable debt to equity ratio and partially price earning ratio of the stock price, the T test was used, whereas to see the magnitude of the effect, use numbers or standardized beta coefficient on the table as follows:

Table3. Debt to Equity Ratio and Price Earning Ratio on Stock Price

Model	Coefficients Unstandardized		Standardized Coefficients	t	Sig.	
	B	Std. Error	beta			
1	(Constant)	7,120	.188		37 906	.000
	DER_X1	-.049	.095	-.079	-.514	.611
	PER_X2	.010	.004	.415	2693	.011

a. Dependent Variable: HS_Y

3. Influence of Debt-to-Equity Ratio on The Stock Price

The magnitude of the effect of the debt-to-equity ratio of the stock price, by looking at the numbers or beta standardized coefficients in the amount of -0.079 means, variable DER contributed 7.9% to the stock price. While the remaining 92.1% is influenced by other variables.

Testing separately or partial aims to see whether the debt-to-equity ratio variable effect on stock prices. DER significant effect on stock prices can be seen from the probability (sig). If the probability value of less than 0.05 or $\alpha = 5\%$, it can be concluded that a separate DER effect on stock prices. Conversely, if the value of the probability is greater than 0.05 or $\alpha = 5\%$, it can be concluded that the DER separately has no effect on stock prices. In the table above 3, DER of 0.611 probability value is greater than 0.05 means that the variable DER no significant effect on stock prices.

Judging from the comparison between t count with t-table with the provisions where t count > t-table, then the HA received or earnings per share significant effect on stock prices. Conversely, when t < t-table, then the HO is accepted or earnings per share does not significantly influence stock prices. At 4:19 table above, the value of t count on a DER of - 0.514 smaller than t-table amounted to 2.028, then Ha refused to accept the provisions of Ho means variable debt to equity ratio does not significantly influence the share price at the level of $\alpha = 0.05$.

4. The Influence between the Price-Earnings Ratio (PER) and The Stock Price

Price earning ratio amount of influence on stock prices, with a look at the numbers or beta standardized coefficients in the amount of 0.415 means, variable PER contributed 41.5% to the stock price. While the remaining 58.5% is influenced by other variables.

Testing separately or partial aims to see whether the variable price earning ratio effect on stock prices. PER significant effect on stock prices can be seen from the probability (sig). If the probability value of less than 0.05 or $\alpha = 5\%$, it can be concluded that the PER separately on stock prices. Conversely, if the value of the probability is greater than 0.05 or $\alpha = 5\%$, then the PER separately cannot influence the stock price. At 4:19 table above 0.01 PER probability value less than 0.05 means that the variable PER significant effect on stock prices.

Judging from the comparison between t count with t-table with the provisions where t count > t-table, then the HA received or earnings per share significant effect on stock prices. Conversely, when t < t-table, then the HO is accepted or earnings per share does not significantly influence stock prices. At table 3 above, the value of t count on a PER of 2.693 is greater than t-table amounted to 2,028, hence Ho refused to accept the provisions of Ha means the variable Price earning ratio (PER) significantly affects the share price at the level of $\alpha = 0.05$.

Correlation Analysis

The correlation between the value of the debt-to-equity ratio (DER), and price-earnings ratio (PER) can be seen in the table below:

Table4. Correlation Analysis

Variable		HS_Y	DER_X1	PER_X2
HS_Y	Pearson Correlation	1	-.043	.409 *
	Sig. (2-tailed)		.798	.011
	N	38	38	38
DER_X1	Pearson Correlation	-.043	1	.087
	Sig. (2-tailed)	.798		.601
	N	38	38	38
PER_X2	Pearson Correlation	.409 *	.087	1
	Sig. (2-tailed)	.011	.601	
	N	38	38	38

*. Correlation is significant at the 0:05 level (2-tailed).

a. The correlation between the debt-to-equity ratio and stock price

Based on the calculation, the correlation between variables DER number and price of shares amounting to -0.043, a correlation of -0.043 intentioned relationships between variables Debt to equity ratio and the stock price is very weak and negative, DER showed that the relationship and the stock price is not unidirectional. That is, if the DER rises, then the stock price will go down, and vice versa. The relationship between DER and stock prices is not significant, it is seen from the number of significance (sig) of 0.798 which is greater than 0.05 or 5%

b. Correlation between price earning ratio and stock price

Based on the calculation, the correlation between variables PER number and price of shares amounted to 0.409, a correlation of 0.409 intentioned relationships between variables Debt to equity ratio and the share price is weak and positive, showed that the relationship PER and the stock price direction. That is, if the PER rises, then the stock price will rise, and vice versa. The relationship between the PER and significant stock price, it is seen from the number of significance (sig) of 0.01 which is less than 0.05 or 5%

Moderated Regression Analysis (MRA)

To see if the BI Rate to moderate between variables debt to equity ratio (DER) and price-earnings ratio (PER) of the share price is as follows:

a. Testing phase 1, variable debt to equity ratio of the stock price with the BI Rate as a moderator variable

Table5. Moderated Regression Analysis 1

Model		Coefficients Unstandardized		Standardized Coefficients	t	Sig.
		B	Std. Error	beta		
1	(Constant)	9,449	.566		16,696	.000
	DER_X1	-.096	.090	-.155	-1065	.294
	BI_Z	-.289	.077	-.550	-3783	.001

a. Dependent Variable: HS_Y

Table6. T Table

Model		Coefficients Unstandardized		Standardized Coefficients	t	Sig.
		B	Std. Error	beta		
1	(Constant)	8,686	1,271		6837	.000
	DER_X1	.383	.719	.620	.533	.597
	BI_Z	-.144	.230	-.273	-.626	.536
	ZX1	-.096	.143	-.774	-.671	.506

a. Dependent Variable: HS_Y

In the above output to see if the moderator variables strengthen or weaken the relationship between the predictor variable (Y) and dependent (X), namely by looking at the beta. Beta generated from the interaction effect ZX1 (DER variable interactions and BI Rate) to Y, the result is negative, which means that the moderation of the BI rate weaken the influence of the debt-to-equity ratio (DER) of the share price. And the effect is not significant.

To test for the BI rate is true as variable pure moderator, moderator quasi, or not at all moderating variables, can be observed with the following criteria:

- Pure Moderator, if the effect of the BI Rate (Z) of the share price (Y) on the first output and the interaction effect of BI and DER (Z * X1) on the share price (Y) At a second output, one significant
- Quasi Moderator, if the effect of the BI Rate (Z) of the share price (Y) on the first output and the

interaction effect of BI and DER ($Z * X1$) on the share price (Y) At a second output, are all significant.

- Not Moderator, if the effect of the BI Rate (Z) of the share price (Y) on the first output and the interaction effect of BI and DER ($Z * X1$) on the share price (Y) At a second output, none were

significant. In the output above shows that the result of the influence of the BI rate to the stock price in table 5 is significant at $sig\ 0.001 < 0.05$. While the results of the interaction effect of BI and DER to the stock price on table 6 is not significant, that $sig\ 0.506 > 0.05$, then the variable BI Rate is a variable Pure Moderator.

b. Testing phase 2 Variable Price earning ratio of the stock price with the BI rate as a moderator variable

Table7. Moderated Regression Analysis 2

Model		Coefficients Unstandardized		Standardized Coefficients	t	Sig.
		B	Std. Error	beta		
1	(Constant)	8815	.496		17,769	.000
	PER_X2	.009	.003	.360	2,729	.010
	BI_Z	-.254	.069	-.482	-3654	.001

a. Dependent Variable: HS_Y

Table8. T Table

Model		Coefficients Unstandardized		Standardized Coefficients	t	Sig.
		B	Std. Error	beta		
1	(Constant)	9758	.666		14,659	.000
	PER_X2	-.030	.020	-.1230	-1546	.131
	BI_Z	-.393	.096	-.746	-4107	.000
	ZX2	.006	.003	1,606	2,024	.051

a. Dependent Variable: HS_Y

In the above output to see if the moderator variable strengthen or weaken the relationship between the predictor variable (Y) and dependent (X), namely by looking at the beta. Beta generated from the interaction effect ZX2 (PER variable interactions and BI Rate) to Y, the result is positive, which means that the moderation of the BI Rate strengthens the influence between Price-earnings ratio (PER) of the share price, and significant influence.

To test for the BI Rate is true as variable pure moderator, moderator quasi, or not at all moderating variables, can be observed with the following criteria:

- Pure Moderator, if the effect of the BI Rate (Z) of the share price (Y) on the first output and the interaction effect of the BI rate and PER ($Z * X2$) on the share price (Y) At a second output, one significant
- Quasi Moderator, if the effect of the BI Rate (Z) of the share price (Y) on the first output and the interaction effect of the BI rate and PER ($Z * X2$) on the share price (Y) At a second output, are all significant.
- Not Moderator, if the effect of the BI Rate (Z) of the share price (Y) on the first output and the interaction effect of the BI rate and PER ($Z * X2$) on the share price (Y) At a second output, none were significant.

In the output above shows that the result of the influence of the BI rate to the stock price in Table 7 was significant at $0.001 < 0.05$. While the results of the

interaction effect of the BI rate and PER on stock prices in table 8 is not significant, ie $0.051 > 0.05$ then the variable BI Rate is a variable Pure Moderator.

DISCUSSION

1. Influence of debt to equity ratio (DER) and price earning ratio (PER) simultaneously to the stock price.

Based on the analysis, it can be seen that the DER and PER simultaneously significant effect on stock prices, where the value of R square is 0.173. That is, 17.3% retail trade company's stock price is affected by the debt-to-equity ratio (DER) and price earnings ratio (PER), while the remaining 82.7% is influenced by other factors outside the research model, such as economic conditions, government policies, and other company fundamentals such as liquidity ratios, profitability ratios, and so forth. In addition, the calculated F value of 3.664 which is greater than F table (2.88) with a significance level of 0.03 ($sig\ \alpha < 0.05$).

2. Influence of debt to equity ratio (DER) partially to the stock price.

Based, the partial results of the analysis, it can be seen that the variable debt to equity ratio does not affect the stock price. With a contribution in the amount of 0.079. That is 7.9%, the company's stock price is influenced by the retail trade DER, while the remaining 92.1% is influenced by other variables. Besides t-count values obtained by -0.514 smaller than t table (2.028) with a significance level of 0.611 ($sig\ \alpha < 0.05$). These results indicate that the variable debt to equity ratio (DER) has an influence negative and no significant

effect on stock prices, it shows if the high DER then stock prices will also fall. The results obtained are consistent with the theory of previous empirical research with the hypothesis If the debt to equity ratio (DER) is high then there is a chance stock price will be low because if the company makes a profit the company would be inclined to use such profits to repay its debt than to pay dividends (Dharmastuti, 2004). Conversely, if the level of debt to equity ratio (DER) is low, the impact rising share prices on the stock. This is in accordance with the signaling theory with the signals given by the company in the form of information, investors can find out how much debt the company.

3. Influence of price earning ratio (PER) partially to the stock price.

Based on the results of a partial analysis, it can be seen that the variable Price earning ratio effect on stock prices. With a contribution in the amount of 0.415. That is, of 41.5% stock price is influenced by variables PER, while the remaining 58.5% is influenced by other variables. Additionally obtained t value of 2.693 is greater than t table (2.028) with a 0.01 significance level ($\text{sig } \alpha < 0.05$). These results indicate that the variable Price earning ratio (PER) has a positive and significant impact on stock prices.

The results of this study indicate that in investing investor attention Price Earning Ratios one of the considerations in the investment decision to buy shares of the company retail trade. This indicates that the market will see the condition of companies that have good fundamental value even though conditions in undervalued, due to the good fundamental value indicates that the company's performance is also good. Investors tend to be more happy to companies that have a low risk with stable revenue, with the increasing interest of investors to demand retail company shares, the company's stock price will also increase.

4. BI as a moderating variable

The results of this study BI is able to moderate the price of the stock. Probably due to changes in interest rates may affect the company's financial performance which can reduce the level of sales of the company so the impact on the decline in corporate profits. It also can affect the stock price because it can affect investment decisions. The higher the interest rates, the return required by investors also higher.

On the results of the analysis states that the BI rate to weaken the relationship between the debt-to-equity ratio of the stock price, while on the relationship between Price-earnings ratio of the stock price in the BI rate to strengthen connections.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

Based on the analysis and discussion contained in the previous chapter, some conclusions can be obtained as follows:

- Debt to equity ratio and price earning ratio simultaneously significant effect on stock prices retail sector companies. With value f-count 3.664 greater than the value of 2.88 f-table ($3.664 > 2.88$) and value gained 0.03 significance smaller than $\alpha = 0.05$ ($0.03 < 0.05$). And simultaneously debt to equity ratio and price earning ratio contributed 17.3% to the stock price in retail sector companies. While the rest of 82.7% influenced by other variables besides the variables examined in this study.
- Then based on the formulation of the second and in accordance with the discussion, it is known that debt to equity ratio no significant effect on the company's stock price retail sector. With value t - 0.514 less than the value t-table 2.028 ($-0.514 < 2.028$) and value significance obtained in this study is greater than 0.611, $\alpha = 0.05$ ($0.611 > 0.05$). Partially debt to equity contributed very low at 7.9% of the company's share price retail sector. While the rest of 92,1% influenced by other variables besides the variables examined in this study.
- Based on the formulation of the problem that all three are in accordance with the discussion, it is known that price earning ratio significant effect on stock prices retail sector companies. With value t obtained at 2,693 greater than the value t-table 2,028 ($2,693 > 2,028$), and the value significance obtained in this study is smaller than $0.01\alpha = 0.05$ ($0.01 < 0.05$). Partially price earning ratio able to provide a contribution of 41.5% to the stock price, while the rest of 58.5% influenced by other variables besides the variables examined in the study.
- In the formulation of the problem to four BI is able to moderate stock price. On the results of the analysis states that the BI rate to weaken the relationship between the debt-to-equity ratio of the stock price, while on the relationship between the price-earnings ratio of the stock price in the BI rate to strengthen connections.

Recommendations

The results of this study are expected to provide feedback for the various parties who wish to do research in the future, with the title of the same research and research using the same variable. Based on the results, the authors suggest:

For investor, expected that from this research into a means of considerations an investor to invest in mutual fund shares are also expected to pay more attention to other factors to make stock investments,

namely the company's fundamentals and external factors that may affect the volatility rise and fall of stock prices, because of the risk involved is small.

For further research, results of this study are expected to provide suggestions or implications for future research, if it is possible to add a period of study or do a variation calculation period, so it can provide more comprehensive information regarding the performance of the portfolio that is formed with the approach used. For further research can also add macroeconomic variables and should maximize the data that will be used to do a lot of observational data, add the observation time because it will produce more accurate results.

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