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### ANALYSIS OF FINANCIAL AND SHARE PERFORMANCE PERFORMANCE BEFORE AND AFTER THE COVID-19 PANDEMIC ON THE INDONESIA STOCK EXCHANGE (IDX)

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#### ABSTRACT

*The Covid-19 pandemic has resulted in community losses, one of which is in the realm of economics. The goal of this research was to examine if there were any differences in financial performance and share performance of companies listed on the Indonesia Stock Exchange (IDX) before and after the Covid-19 pandemic was announced. Listed companies on the Indonesia Stock Exchange at least in 2018 make up the research population. There were 484 companies in this study's sample. The research data was collected through purposive sampling. The study's findings show that the liquidity ratios, profitability ratios, solvency ratios, activity ratios, market ratios, and abnormal returns have substantial differences. The beta (stock risk) variable, on the other hand, shows no significant differences. Between before and after the Covid-19 pandemic was announced, the liquidity ratio (current ratio), profitability ratios (return on assets), activity ratio (asset turnover), and market ratio (price-earnings ratio) all decreased. In the meantime, the solvency ratio (debt to equity), anomalous returns, and stock beta have all risen.*

**Keywords:** *Financial Performance, Stock performance, COVID-19, Paired sample T-test*

#### ABSTRAK

Pandemi Covid-19 mengakibatkan kerugian pada kegiatan masyarakat, salah satunya dalam bidang ekonomi. Tujuan dari penelitian ini adalah untuk melihat apakah ada perbedaan kinerja keuangan dan kinerja saham perusahaan-perusahaan yang terdaftar di Bursa Efek Indonesia (BEI) sebelum dan sesudah wabah Covid-19 diumumkan. Perusahaan yang terdaftar di Bursa Efek Indonesia setidaknya pada tahun 2018 menjadi populasi penelitian. Sampel penelitian ini berjumlah 484 perusahaan. Data penelitian dikumpulkan melalui purposive sampling. Hasil penelitian menunjukkan bahwa variabel rasio likuiditas, rasio profitabilitas, rasio solvabilitas, rasio aktivitas, rasio pasar, dan abnormal return memiliki perbedaan yang signifikan. Sedangkan variabel beta tidak menunjukkan perbedaan yang signifikan (risiko saham). Antara sebelum dan sesudah wabah Covid-19 diumumkan, rasio likuiditas (current ratio), rasio profitabilitas (return on assets), rasio aktivitas (asset turnover), dan rasio pasar (price earning ratio) semuanya menurun. Sementara itu, rasio solvabilitas (debt to equity), abnormal return, dan beta saham semuanya meningkat.

**Kata Kunci:** Kinerja Keuangan, Kinerja Saham, COVID-19, Uji-T Sampel Berpasangan



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**Introduction**

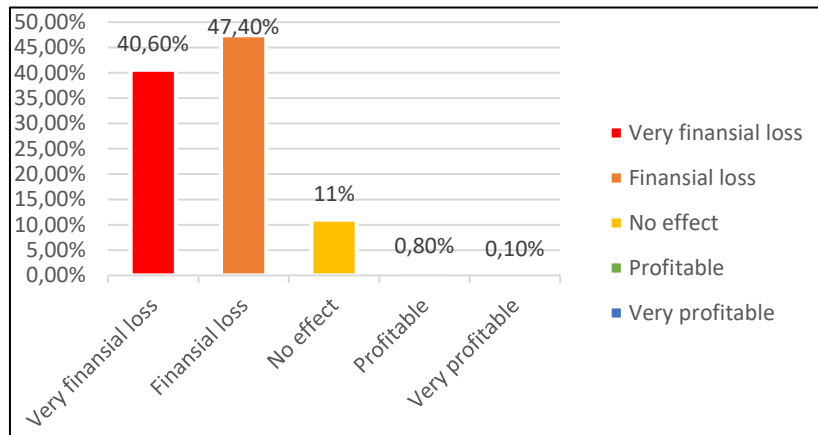
The world was shocked by the discovery of a new variant of the coronavirus or what we call Covid-19 which can be transmitted between humans very quickly at the end of 2019. Given the high number of cases of Covid-19 transmission and death, some countries have been forced to impose various regulations, one of which is the regional quarantine policy. The regional quarantine policies implemented in various countries, especially China, have an impact on the Indonesian economy. This is because Indonesia's economic dependence on China is very large. China is Indonesia's largest trading partner. The regional quarantine imposed by China has an impact on Indonesia's import and export activities. The inhibition of export and import activities will have an impact on the availability of raw materials for the industrial sector in Indonesia. According to Baldwin & Mauro (2020), the Covid-19 pandemic will have a significant impact on the manufacturing sector. This is because many factories around the world rely on spare parts and components from China and some of them are made in the provinces most affected by Covid-19.

The Indonesian government passed Government Regulation (PP) Number 21 of 2020 regarding Large-Scale Social Restrictions to expedite the handling of Covid-19 (PSBB). The PSBB will restrict community activities, ranging from online work and school to halting public facilities, restricting land transportation operations, and limiting the business sector. Apart from the government sector, only 8 sectors are allowed to operate during the PSBB period, namely; Health, Food, Energy, Communication, Finance, Logistics activities, Grocery store, and strategic industry sectors (PP Number 21 of 2020). With this regulation, the economy of the community slows down.

Most firms' performance has been impacted by the Covid-19 epidemic, but not all. According to Golubeva (2021), the performance of a corporation during the Covid-19 epidemic will be influenced by its sector, size, participation in exports, and market demand for its products. The research of Rashata (2021) and A Boshnak, et al. (2021) say the type of industry negatively effect to company's operational, financial, and market performance.

Based on the research findings of the Employment Planning and Development Agency (Bareng Naker) in 2020, 40.6% of respondents agreed that their company suffered severe losses during the Covid-19 pandemic. Meanwhile, 47.4% admitted loss. However, 11% of respondents said the Covid-19 pandemic did not affect their business. Meanwhile, 0.8% answered favorably, and 0.1% said very profitably (Fanani, 2020). This proves that not all companies have suffered losses due to the Covid-19 pandemic.

**Graph 1. Number of Companies Losing and Profiting Due to the Covid-19 Pandemic**



Data source: Barenbag Naker (2020)

The main premise behind crisis management theory was that firms facing an unstable and unpredictable environment needed to build teams made up of all business units to react to difficult circumstances. (Golubeva, 2021). Organizations with shorter and more diverse supply chains, according to Obrenovic, et al. (2020), are more likely to retain operations during a pandemic. Companies with more flexible and adaptable business models will adapt faster. Companies with looser and more adaptive business models will adapt more quickly.

Financial performance can reveal the good or bad ability of a company. According to Sudana Sudana (2015) financial ratio analysis is one of the most common approaches to find out relevant information from company accounting data. For users of financial data, financial ratios are one of the most important decision-making tools. Especially when faced with a lot of financial information, the existence of these financial ratios can help decision-making in evaluating the performance of business entities quickly (IAI, 2019). There are 5 types of financial ratios according to Sudana (2015), namely: liquidity ratios, profitability ratios, solvency ratios, activity ratios, and market ratios.

Rahmani (2020) and Oktavia, et al. (2021) stated that the financial performance of the corporation was impacted by the Covid-19 epidemic. Devi, et al. (2020) investigated the impact of the Covid-19 epidemic on the performance of Indonesian stock exchange firms (IDX) stating that the ratio of profitability to company activities is significantly different. However, the company's liquidity and solvency ratios are not significantly different. The findings of this investigation are consistent with previous research Alviana & Megawati (2021). This is different from Tahu & Yuesti (2021) research which also examined the financial performance of LQ45 companies and found no significant differences in profitability ratios and liquidity ratios prior to and following the Covid-19. However, in the solvency ratio

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and activity ratio, significant differences were found before and after the Covid-19 outbreak. In addition, there is research from Hilman & Laturette (2021) There are distinctions in the profitability ratio (ROA) and liquidity ratio (CR) prior to and following the Covid-19 epidemic. However, there have been no notable changes in the solvency ratio (DER). According to Siswati (2021) research, there were changes in the profitability ratio (NPM), liquidity ratio (CR), activity ratio (TATO), and solvency ratio (DER) prior to and following the Covid-19 epidemic in technology enterprises listed on the IDX.

Aside from the business's financial performance, the Covid-19 epidemic and the implementation of regional quarantines also have an impact on the investment world. Herwany, et al. (2021) say that external events can hurt the economy and affect investor sentiment. Since the Covid-19 epidemic was first reported in Indonesia on March 24 2020, the ICI (Indonesia Composite Index) was at 3,911.71. This is the index's lowest point since August 2013 (Ridwansah, 2020). The decline in this index illustrates that there are changes in stock returns and risks. Changes in the level of risk will affect investors' considerations in determining investment decisions. The outbreak of the Covid-19 pandemic prompted alarm among investors. Therefore, investors avoid dangerous assets due to the emergence of negative challenges related to the impact of Covid-19 on company performance.

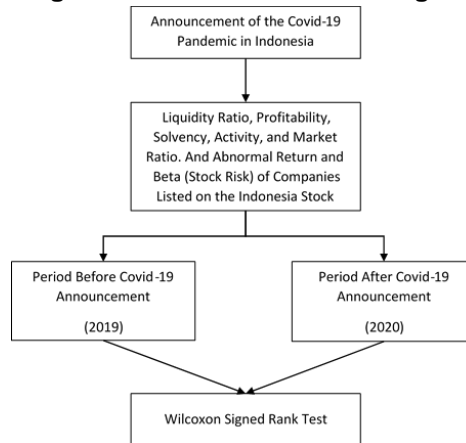
According to research by AlAli (2020), Before and after WHO declared Covid-19 a global pandemic, there were statistically significant differences in stock market performance The Covid-19 outbreak has had a significant detrimental impact on IDX stock performance, according to Herwany, et al. (2021) and Astuti & Alfie (2021). Unlike Luthfan & Diana's (2022) research, which found no significant difference in performance in terms of return and stock risk on the Indonesia Sharia Stock Index (ISSI) stock index prior to and following the Covid-19 epidemic. Sayed & Eledum (2021) also revealed that there was no significant change in Cumulative Abnormal Return (CAR) on the first day of reported Covid-19 cases in Saudi Arabia. According to Xu (2021), the stock market in the United States was not affected considerably by the Covid-19 pandemic's uncertainties.

The difference between this research and previous research lies in the use of financial performance variables as measured by financial ratios and stock performance as measured by abnormal returns and beta (stock risk) using the event study method, which will be tested using the paired sample t-test. Furthermore, all businesses registered on the Indonesia Stock Exchange were chosen as the study object. In contrast to the research of Rahmani (2020), Oktavia, et al. (2021), and Tahu & Yuesti( 2021) which examined the LQ45 index.

After explaining the background above, the research problems can be formulated as follows: 1) Is there a major difference in financial performance between companies listed on the IDX both before and after the Covid-19 outbreak was declared? 2) Is there a noticeable difference in the performance of stocks listed on the IDX both before and after the Covid-19 outbreak was declared? The purpose of this research is to see if there are any significant disparities between financial and stock price performance before and after the Covid-19 pandemic was revealed, of companies listed on the IDX. This research is expected to expand knowledge about financial performance and stock performance. As well as evaluating whether financial and stock performance changed pre to and after the Covid-19 epidemic. As a result, it becomes a data source for basic investment considerations.

Social restriction regulations called for by the government will affect factory production activities. Disruption of production activities will have an impact on the accumulation of raw materials. This condition will hurt profitability, liquidity, solvency, and company activities. According to Brigham & Houston (2018), information about financial statements will affect the company's stock price. In addition, government regulations regarding economic and securities regulations can also affect stock prices. In this state of the Covid-19 pandemic, government regulations regarding social restrictions will affect investors' sentiment. As a result, the stock price of the company may suffer. The following is a research hypothesis based on this argument:

**Figure 1. Framework of thinking**



Source: Data processed by researchers (2022)

Social restriction regulations called for by the government will affect factory production activities. Disruption of production activities will have an impact on the accumulation of raw materials. This condition will have a negative impact on profitability, liquidity, solvency, and company activities. According to Brigham & Houston (2018), information about financial statements will affect the company's stock price. In addition, government regulations

regarding economic and securities regulations can also affect stock prices. In this state of the Covid-19 pandemic, government regulations regarding social restrictions will affect investors' sentiment, so that it can adversely affect the company's stock price. The research hypothesis can be constructed:

H1.1 : The profitability ratio of the corporation prior to and following the Covid-19 epidemic differs significantly.

H1.2: The liquidity ratio of stock companies prior to and following the Covid-19 epidemic differs significantly.

H1.3: The company's solvency ratio prior to and following the Covid-19 epidemic differs significantly.

H1.4: The company's activity ratio prior to and following the Covid-19 epidemic differs significantly.

H1.5: The company's stock market ratio prior to and following the Covid-19 epidemic differs significantly.

H2.1: The abnormal stock returns prior to and following the Covid-19 epidemic differ significantly.

H2.2: Stock risks were much different before and after the Covid-19 epidemic.

**Method**

Secondary data in the form of financial statement data and stock prices of firms listed on the 2019-2020 Indonesia Stock Exchange can be found at [www.idx.co.id](http://www.idx.co.id), the Indonesia Stock Exchange's official website. The documentation technique was utilized to collect data for this study. The population for this research are companies who were listed on the Indonesia Stock Exchange at least in 2018. The research population is estimated to be 603 firms based on these characteristics. The study's sample included 484 Indonesian companies registered on the stock exchange (IDX). This experiment used purposive sampling, and the following criteria were used:

**Table 1. Sampling Stage**

No.	Information	Total Company
1.	Companies that are traded on the Indonesia Stock Exchange (IDX) in 2018	603
2.	Financial sector companies	(96)
3.	Companies that don't publish financial reports of the study period	(23)
<b>Total</b>		<b>484</b>

Source: Data processed by researchers (2022)

The following variables will be tested in this study:

**Table 2. Variable Operational Definition**

No.	Research variable	Measurement Indicator	Formula	Source
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1.	Financial performance	Profitability Ratio: Return On Assets	ROA= Income After Tax / Total Assets	Sudana (2015)
		Liquidity Ratio: Current Ratio	CR = Current Assets / Current Liabilities	Sudana (2015)
		Solvency Ratio: Debt to Equity Ratio	DER = Total Debt / Capital	Ikatan Akuntansi Indonesia (2019)
		Activity Ratio: Total Assets Turnover	TAT = Sales / Total Assets	Sudana (2015)
		Market Ratio: Price Earning Ratio	PER = Earnings per Share / Price per Share	Sudana (2015)
2.	Stock Performance		$RTN_{it} = R_{it} - E(R_{it})$ Information: $RTN_{it}$ = Abnormal returns to small companies in the t research period $R_{it}$ = The actual return to the i-th company in the t research period $E(R_{it})$ = Expected return to the i-th company in the t-th research period	Hartono (2017)
		Beta (Stock Risk)	$\beta_i = \frac{\sum cov (R_i, R_m)}{\sigma_m^2}$ Information: $\beta_i$ = Beta coefficient $Cov (R_i, R_m)$ = Stock covariance with market portfolio $\sigma_m^2$ = The variance in the market	Hartono (2017)

Source: Data processed by researchers (2022)

Using the event study method, a paired sample t-test will be undertaken in this examination. An event study, according to Hartono (2017), is a study that investigates the capital market's response to an event whose data is given via a public notification. An event study can be conducted to evaluate the information content of an announcement as well as evaluate the efficiency of a semi-strong market.

Paired Samples T-Test compares two samples to see if the mean of the two samples differs significantly. Paired samples are samples in which two separate treatments or measurements are applied to the same subject Sunjoyo, et al. (2013). Paired Sample T-Test requires that the data onto the two samples must be normally distributed. Therefore, before this test is carried out, it is necessary to first test the normality of the two samples. The Wilcoxon Signed Rank Test can be used instead if the data in the study is not regularly distributed.

## Results and Discussion

The Kolmogorov-Smirnov test will be used to check for normality before the Paired Samples T-Test. Based on the normalcy test findings for table 3. each variable shows the Asymp value. Sig. (2-tailed) 0.000. This means that the data onto each variable is not normally

distributed. The Wilcoxon Signed-Rank Assess will be employed to test the study hypothesis because the data is not regularly distributed.

**Table 3. Kolmogorov-Smirnov Normality Test Results**

	N	Normal Parameters		Most Extreme Differences			Test Statistic	Asymp. Sig. (2-tailed)
		Mean	Std. Deviation	Absolute	Positive	Negative		
CR Pre to Covid-19	484	2,9921318	10,1955390	0,385	0,335	-0,385	0,385	0,000
CR After Covid-19	484	3,6910263	21,4493432	0,425	0,384	-0,425	0,425	0,000
ROA Pre to Covid-19	484	-0,0026076	0,29416459	0,314	0,266	-0,314	0,314	0,000
ROA After Covid-19	484	-0,0780495	1,79171532	0,426	0,389	-0,426	0,426	0,000
DER Pre to Covid-19	484	0,2224112	35,4313351	0,452	0,398	-0,452	0,452	0,000
DER After Covid-19	484	1,5639846	6,73847468	0,353	0,326	-0,353	0,353	0,000
TATO Pre to Covid-19	484	0,8956810	1,59438837	0,285	0,225	-0,285	0,285	0,000
TATO After Covid-19	484	1,7150249	15,0632952	0,434	0,416	-0,434	0,434	0,000
PER Pre to Covid-19	484	635,05154	11363,7782	0,480	0,480	-0,455	0,480	0,000
PER After Covid-19	484	-194,71804	4543,91897	0,476	0,429	-0,476	0,476	0,000
Abnormal Return Pre to Covid-19	484	0,0174808	1,19523772	0,287	0,287	-0,216	0,287	0,000
Abnormal Return After Covid-19	484	0,0634456	0,75133403	0,236	0,236	-0,153	0,236	0,000
Beta (Stock Risk) Pre to Covid-19	484	0,7911811	1,86601770	0,87	0,83	-0,87	0,87	0,000
Beta (Stock Risk) After Covid-19	484	0,8213682	0,98292664	0,69	0,67	-0,69	0,69	0,000

Source: Data processed by the author with SPSS 25 (2022)

According to the results of the descriptive analysis in table 4, there are differences in average liquidity ratios, profitability ratios, solvency ratios, abnormal returns, and beta of company shares in companies listed on the Indonesian Stock Exchange before and after the COVID-19 pandemic was announced (IDX). The average value of the liquidity ratio (CR), solvency ratio (DER), activity ratio (TATO), abnormal return, and stock beta has risen. Meanwhile, the average value of the profitability ratio (ROA) and market ratio (PER) declined.

**Table 4. Results of Statistical Descriptive Analysis**

	N	Mean	Std. Deviation	Minimum	Maximum
CR Pre to Covid-19	484	2,992	10,196	0,00043	160,477
CR After Covid-19	484	3,691	21,449	-0,401	410,241
ROA Pre to Covid-19	484	-0,0026	0,294	-4,799	0,648
ROA After Covid-19	484	-0,078	1,792	-33,110	6,583
DER Pre to Covid-19	484	0,222	35,431	-753,541	173,572
DER After Covid-19	484	1,564	6,739	-39,326	114,290



TATO Pre to Covid-19	484	0,895	1,594	-0,868	28,824
TATO After h Covid-19	484	1,715	15,063	-75,862	234,000
PER Pre to Covid-19	484	635,052	11363,778	-41250,000	230000
PER After Covid-19	484	-194,718	4543,919	-97750,000	12607,142
Abnormal Return Pre to Covid-19	484	0,018	1,195	-0,992	20,137
Abnormal Return After Covid-19	484	0,064	0,751	-1,904	10,888
Beta (Stock Risk) Pre to Covid-19	484	0,791	1,866	-9,407	6,663
Beta (Stock Risk) After Covid-19	484	0,821	0,983	-3,235	3,891

Source: Data processed by the author with SPSS 25 (2022)

Tables 5 and 6 show the outcomes of the Wilcoxon signed-rank test. In table 5 it is known that 285 companies saw their current ratio fall after the Covid-19 Pandemic was announced, while 199 saw theirs rise. According to the profitability ratios assessed from the negative and positive rank, 325 enterprises saw a reduction in return on assets (ROA), while 159 saw an increase. TThe debt to equity ratios (DER) number reflects that 215 enterprises have decreased and 268 have increased.

The asset turnover ratio (TATO) shows that as many as 371 companies experienced a decline and 113 experienced an increase. Following that, the market ratio, as indicated by price earning ratios (PER), shows that 250 companies suffered a reduction in PER, while 233 others saw an increase. The abnormal return value shows that as many as 201 companies experienced a decrease in abnormal returns and another 282 experienced an increase. Furthermore, 212 businesses saw their stock beta drop, while 251 saw their stock beta rise. With these findings, it can be concluded that the liquidity ratio (current ratio), profitability ratio (return on assets), activity ratio (asset turnover), and market ratios all have negative differences (price earning ratio). And there are differences in the positive direction for the solvency ratio (debt to equity), abnormal returns, and stock beta. Furthermore, to find out whether the difference is significant or not, it can be seen through table 6.

**Table 5. The Wilcoxon Signed-Ranks Test results**

		N	Mean Rank	Sum of Ranks
CR During Covid-19 - CR Pre to Covid-19	Negative Ranks	285	244,97	69815,50
	Positive Ranks	199	238,97	47554,50
	Ties	0		
	Total	484		
ROA During Covid-19 - ROA Pre to Covid-19	Negative Ranks	325	247,11	80310,00
	Positive Ranks	159	233,08	37060,00
	Ties	0		
	Total	484		
DER During Covid-19 - DERPre to Covid-19	Negative Ranks	215	227,95	49010,00
	Positive Ranks	268	253,27	67876,00

Covid-19	Ties	1		
	Total	484		
TATO During Covid-19 - TATO Pre to Covid-19	Negative Ranks	371	252,45	93659,00
	Positive Ranks	113	209,83	23711,00
	Ties	0		
	Total	484		
PER During Covid-19 - PER Pre to Covid-19	Negative Ranks	250	259,23	64807,00
	Positive Ranks	233	223,52	52079,00
	Ties	1		
	Total	484		
Abnormal Return During Covid-19 - Abnormal Return Pre to Covid-19	Negative Ranks	201	241,02	48445,00
	Positive Ranks	282	242,70	68441,00
	Ties	1		
	Total	484		
Beta (Stock Risk) During Covid-19 - Beta (Stock Risk) Pre to Covid-19	Negative Ranks	212	245,20	51983,00
	Positive Ranks	251	220,85	55433,00
	Ties	21		
	Total	484		

Source: Data processed by the author with SPSS 25 (2022)

**Table 6. The Wilcoxon Signed-Ranks Test results**

	Z	Asymp. Sig. (2-tailed)
CR After Covid-19 - CR Pre to Covid-19	-3,615	0,000
ROA After Covid-19 - ROA Pre to Covid-19	-7,024	0,000
DER After Covid-19 - DER Pre to Covid-19	-3,074	0,002
TATO After Covid-19 - TATO Pre to Covid-19	-11,360	0,000
PER After Covid-19 - PER Pre to Covid-19	-2,074	0,038
Abnormal Return After Covid-19 - Abnormal Return Pre to Covid-19	-3,258	0,001
Beta (Stock Risk) After Covid-19 - Beta (Stock Risk) Before Covid-19	-0,599	0,549

Source: Data processed by the author with SPSS 25 (2022)

### Liquidity Ratio

Table 6 shown the 6. Sig. (2-tailed) for the current ratio (CR) size of 0.000. Because this result is less than 0.05, it may be argued that the liquidity ratio of companies listed on the IDX prior to and during the Covid-19 epidemic news differs significantly (H1.1 accepted). The greater the current ratio, the more capable the corporation is of repaying its short-term debt. However, not always a high current ratio describes a good company condition. Conversely, a current ratio that is too high can also indicate inefficiency in asset utilization, especially cash and cash equivalents (IAI, 2019). The government has restricted economic activity, from export-import to production, during the Covid-19 epidemic. This causes a buildup of raw materials in the warehouse as a result of which the company's liquidity is increased (Devi et al., 2020). The increase in the average current ratio (CR) from 2,992 to 3,691 before and after the Covid-19 epidemic indicates a negative trend in the company's performance. The findings of this research back up those of Hilman & Laturette (2021), who found differences in the liquidity ratios before and during the Covid-19 outbreak in construction companies and consumer products listed on the IDX, and Siswati (2021), who studied how the Covid-19 epidemic impacted performance.

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### **Profitability Ratio**

In table 6, the return on assets (ROA) is 0.000, which is less than 0.05, indicating that H1.2 is accepted or that the profitability ratios of listed firms on the IDX before and after the Covid-19 epidemic was announced are significantly different. According to Mulyadi (2014) there are three factors that can affect profit, namely: costs, selling prices, and sales volume. Costs arising from operations will affect the selling price of the product, where the selling price will affect the volume of product sales. The size of the sales volume will affect the production volume. The social restriction regulations called for by the government affect the amount of production, because companies must limit the number of employees working in order to keep their distance. This decrease in the amount of production will affect the sales and income to be received by the company, where a decrease in income will affect the decrease in the company's profitability ratio. The findings of this study back up the work of Devi, et al. (2020), Hilman & Laturette (2021), Siswati (2021), and Alviana & Megawati (2021). They discovered that profitability ratios before and after the Covid-19 epidemic were substantially different.

### **Solvency Ratio**

Sig. The debt to equity ratios (DER) of 0.002 0.05 show that there is a considerable difference in the solvency ratio before and after the Covid-19 pandemic was revealed, of listed companies on the IDX (H1.3 accepted). The increase in the average DER value of 0.222 to 1.564 gives a danger signal for the company, because the higher the DER ratio, the higher the risk of the company failing to pay its debts. Companies have seen a drop in income or perhaps losses as a result of the Covid-19 epidemic. This can encourage companies to seek capital from outside so that the company's operations can continue to run. The thing that needs to be done by the company is to maintain the risk of high debt so as not to go bankrupt. The findings of this study back up those of Rahmani (2020), Oktavia, et al. (2021), and Tahu & Yuesti (2021), who observed changes in solvency ratios before and during the Covid-19 pandemic.

### **Activity Ratio**

The activity ratio indicated by total asset turnovers (TATO) shows the sig. 0.000. This demonstrates that H1.4 is acknowledged or that the activity ratio of firms listed on the IDX before and after the Covid-19 pandemic was announced shows a considerable difference. Sartono (2010) said that if the inventory is too small it will result in decreased operational capacity or even delay. Conversely, if the inventory is too large, it will result in low inventory turnover so that the company's income decreases. The Covid-19 pandemic forced several companies to reduce production capacity which resulted in a buildup of inventory so that it

would increase the activity ratio. The decline in production activity was caused by the regulation of social restrictions coupled with the decline in people's purchasing power. If this situation continues, the company will be considered unproductive and unable to utilize its assets effectively and efficiently. This research backs up the findings of Devi, et al. (2020), Rahmani (2020), Oktavia, et al. (2021), Siswati (2021), and Tahu & Yuesti (2021), who found variations in the activity ratio prior to and following the Covid-19 pandemic

### **Market Ratio**

Sig. values at the price earning ratios (PER) of 0.038, which are still less than 0.05, implying that there is a significant variation in the market ratio of firms listed on the IDX prior to and following the Covid-19 epidemic was announced (H1.5 is accepted). External events, according to Herwany, et al. (2021), can have a detrimental impact on the economy and damage market mood. The outbreak of the Covid-19 pandemic prompted alarm among investors. Due to the emergence of unfavorable difficulties surrounding the Covid-19's impact on business performance, investors prefer to avoid risky investments. With the bad issue of the Covid-19 epidemic, it will be interesting to observe how investors evaluate a company's prospects, which will be reflected in the stock price. The conclusions of this study back up those of Oktavia, et al. (2021), who found that there was a general difference in the company's market ratio prior to and following the Covid-19 epidemic.

### **Abnormal Return**

The sig value shows the difference in anomalous returns of firms listed on the IDX prior to and following the Covid-19 epidemic was announced. Where this number is less than 0.005, use 0.001. (H2.1 is accepted). Al-Awadhi (2020) argues that significant events will affect stock market returns. One of the key events affecting the entire economy, including the stock market, is the Covid-19 epidemic. The market that reacts to information/events is very important because it can cause price fluctuations resulting in changes in abnormal returns, as well as a shift in investor perceptions that will affect investment decisions (Kusnandar & Bintari, 2020). This research backs up the findings of Herwany, et al. (2021), Astuti & Alfie (2021), who found disparities in the performance of corporate shares prior to and following the Covid-19 epidemic.

### **Beta (stock risk)**

Sig. values beta (stock risk) in table 6 is 0.549, which is more than 0.05, indicating that no substantial difference exists in the beta of shares of firms listed on the IDX before and after the Covid-19 epidemic was announced, rejecting H2.2. Market risk is caused by circumstances that affect almost all businesses, such as inflation and excessive interest rates. Because the foregoing variables will have a negative impact on most equities,

diversification will not be able to remove market risk (Hidayat, 2019). The Covid-19 pandemic has generated a slew of issues, including economic ones. Starting from the sluggish public economy, unemployment, poverty, inflation, and negative issues that affect investor sentiment. Changes in stock market risk will be influenced by these economic issues. The increase in the average beta value of shares from prior to and following the Covid-19 epidemic to 0.821 after the announcement of the Covid-19 Pandemic shows changes in stock risk. However, based on the Wilcoxon signed-ranks test findings this increases was not significant. Although the average value have increased, the average beta value of the shares is still below 1. This shows that on average, the companies listed on the IDX have lower price sensitivity than the Indonesia Composite Index (ICI). Beta values below 1 also indicate a low risk. The lack of a significant difference in this stock's risk could imply that the Covid-19 epidemic has little impact on the stock's risk or that investors are confidence in the company's success. The findings of this analysis back with Luthfan & Diana (2022) which found no significant difference in performance in terms of return and stock risk on the Indonesia Sharia Stock Index (ISSI) prior to and following the Covid-19 outbreak.

## **Conclusion**

The following conclusions can be taken from the above discussion the liquidity ratio (current ratio), profitability ratio (return on assets), solvency ratio (debt to equity ratio), activity ratio (total asset turnover), and market ratios (price earning ratio) listed firms on the Indonesia Stock Exchange (IDX) prior to and following the Covid-19 pandemic was announced show significant differences. However, for the stock performance variable found significant differences in abnormal returns for listed firms on the Indonesia Stock Exchange (IDX) prior to and following the Covid-19 pandemic was announced, but no significant differences in beta (share risk). Between the time the Covid-19 pandemic was announced and the time it was announced, the liquidity ratio (current ratio), profitability ratio (return on assets), activity ratio (asset turnover), and market ratios (price earning ratio) all decreased. In the meantime, the solvency ratio (debt to equity), abnormal return, and beta (stock risk) have all risen. Based on the research results, investors are advised to be more selective in investing and pay more attention to the company's fundamentals in order to avoid losses. Companies should maintain essential performance in the current stage of the Covid-19 epidemic in order to remain stable and avoid bankruptcy. For further research, it is recommended to adding other variables or indicators as research variables so that research can be more accurate.

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