THE INFLUENCE OF ROA, CURRENT RATIO, AND DER ON THE COMPANY'S SHARE PRICE

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ABSTRACT
This study was conducted to examine whether Return On Assets, Current Ratio, and Debt-to-Equity Ratio have an influence on the stock price of PT Goto Gojek Tokopedia Tbk. PT Goto Gojek Tokopedia is a joint company formed by Gojek and Tokopedia. This quantitative study utilized secondary data, specifically financial reports of the company every quarter from 2022-2023. The research approach was non-participant, meaning the researchers did not directly involve themselves in the company's activities. The findings of this study indicate that Return On Assets, Current Ratio, and Debt-to-Equity Ratio does not significantly influence the stock price of PT Goto Gojek Tokopedia Tbk.

Keywords: Return On Assets, Current Ratio, Debt-to-Equity Ratio, Stock Price

INTRODUCTION

Every business must have goals to grow and expand into a larger entity and generate more revenue. Meanwhile, selling shares in the capital market is the cheapest way to raise funds (Sukamulja, 2021). The capital market has several objectives, one of which is to gather funds from the public for various investment sectors (Pratiwi & Prijati, 2015). Goals are essential for any business as they set the direction for growth and expansion, ultimately leading to increased revenue. In order to achieve these goals, businesses often require additional funds to invest in various aspects of their operations. One cost-effective method of raising funds is selling shares in the capital market. The capital market allows businesses to attract investments from the public and gather the necessary financial resources for their development (Abdul Aziz, 2010).

The capital market serves several objectives, one of which is to facilitate public funds accumulation. These funds can then be allocated to different investment sectors, such as infrastructure, manufacturing, technology, or services (Tassey, 2014). By providing a platform for companies to issue shares and investors to purchase them, the capital market allows businesses to access a broader pool of funding beyond traditional sources like bank loans.

Stocks have become an attractive alternative for investors to consider as investment assets due to the development of the capital market in Indonesia, which supports business growth. Unlike investments in other industries, such as banking, many investors allocate their funds to businesses that have been acquired with the intention of receiving a return on their investment. Investors must thoroughly evaluate a company before purchasing its stocks. To determine whether an entity possesses a good quality, an evaluation that can be used as a perspective by fund providers to assess whether an organization has effectively implemented administrative standards is its financial performance (Sedjati, 2015).

A company's financial performance is the result of various individual decisions made continuously by management. Financial analysts need to adapt to future factors that can influence the respective company's financial position or operating results to evaluate financial performance and determine which operations are most effective (Arisadi & Djazuli, 2013). A company's stock price is one of the factors prospective investors consider in determining stock investments.

Maintaining and increasing stock prices is an important priority for a company. A stable and rising stock price keeps the shares relevant and attractive to investors (Harahap, 2015). When the company's stock price rises, shareholders benefit from profit and their investment value increases. The financial statements published by a company provide a comprehensive overview of its financial performance. Financial statements include information about the company's revenue, expenses, profit, assets, liabilities, and cash flows. By analyzing financial statements, investors can understand the company's financial stability, profitability, liquidity, and growth.

Financial information plays a crucial role in various aspects. Firstly, as a source of information, financial statements provide an objective overview of a company's performance to external parties such as investors, creditors, and financial analysts. This information helps them make investment decisions or assess risks associated with the company (Revsine et al. l., 1999). Secondly, financial statements also serve as a tool for management accountability to the company's owners. By analyzing financial statements, company owners can evaluate management performance in achieving the company's financial goals and make informed decisions regarding company management.

Furthermore, financial statements depict key performance indicators of a company, such as sales growth rate, profitability, and operational efficiency. This information assists stakeholders in understanding the extent to which the company has achieved its financial objectives and whether the implemented business strategies are effective (Carton & Hofer, 2006). Lastly, financial statements serve as a basis for decision-making. For example, investors can utilize financial information to decide whether to buy, sell, or hold company stocks. Company management can also use financial statements to plan operational activities, allocate resources, and identify improvement areas (Steiss, 2003). Thus, financial statements are essential in providing accurate and transparent information about a company's financial performance. They enable stakeholders to make informed decisions and gain a thorough understanding of the company's financial condition in which they invest or evaluate. A company's stock price serves as a reliable indicator of its progress in the eyes of investors. The movement of stock prices reflects the level of investor appreciation towards the company's value. The overall condition of a company is also influenced by investors' buying and selling behaviour concerning its shares (Yuliana et al., 2021).

To assess whether a company conducts its business activities well and can be categorized as financially healthy, the evaluation of financial performance through various performance ratio assessments such as Return on Assets (ROA), Current Ratio (CR), and Debt to Equity (DER) is necessary. Based on the background mentioned above, the problem in this research can be formulated as follows: Do the Current Ratio, Return on Assets, and Debt to Equity ratio influences stock prices in PT Goto Gojek Tokopedia Tbk? This research aims to test and analyze the influence of the Current Ratio, Return on Assets, and Debt to Equity ratio on PT Goto Gojek Tokopedia Tbk stock prices.

LITERATURE REVIEW

Return On Asset
Return on Assets (ROA) is a financial ratio used to measure the profitability or efficiency of a company's asset utilization. ROA depicts the extent to which a company can generate profit based on the number of assets it possesses (Ardiyanto, 2020). The Return On Assets (ROA) is determined by dividing a company's net profit by its total assets. Net profit is obtained from the company's income statement, which provides an overview of its revenues and expenses. On the other hand, total assets can be found in the company's balance sheet, representing the value of all the resources owned by the company. By calculating ROA, investors and analysts can assess how effectively a company utilizes its assets to generate profits. A higher ROA indicates better asset management and profitability, while a lower ROA suggests less efficient asset utilization.

Return On Assets (ROA) provides insights into a company's effectiveness in generating profits from its asset base. A higher ROA indicates that the company is more efficient in utilizing its assets to generate earnings. On the other hand, a lower ROA suggests lower efficiency or suboptimal utilization of assets, which may impact the company's profitability. ROA is a key financial metric that helps investors and stakeholders evaluate the company's operational efficiency and asset management capabilities.

Current Ratio
The current ratio is a financial ratio used to measure a company's ability to meet its short-term obligations using its current assets (Batubara & Purnama, t.t.). It is calculated by dividing the company's current assets by its short-term liabilities. The Current Ratio indicates how many current assets the company has available to pay off its short-term obligations. In this context, current assets such as cash, accounts receivable, inventory, and short-term investments are potential sources to fulfil the company's obligations.

A high Current Ratio indicates that the company has sufficient current assets to meet its short-term liabilities. The ratio indicates good liquidity and the company's ability to address immediate obligations in the event of unexpected needs. It is crucial to understand that utilizing the current ratio for financial data analysis provides only a superficial analysis. Therefore, a more comprehensive quantitative analysis is required for a deeper understanding (Ummah & Yuliana, 2023).

Debt To Equity Ratio
Debt to Equity Ratio is a financial ratio that measures how much a company utilizes borrowed funds or debt compared to its capital or owner's equity (Gunawan, 2020). This ratio depicts the proportion of debt used by the company in financing its operations. The Debt to Equity Ratio provides insights into the extent of debt utilization in a company's capital structure. A higher ratio indicates a larger proportion of debt in the company's financing than its equity. This ratio reflects the company's reliance on debt as a funding source. On the one hand, utilizing debt can offer advantages such as financial leverage and increasing shareholders' returns. By borrowing funds, the company can amplify its profitability and generate higher earnings per share.

Stock price
Stock price refers to the price per share of a company's stock traded in the stock market. This price is determined by supply and demand in the market, where investors and traders exchange stocks. The stock price is the price an investor or trader must pay to buy the stock. Stock prices can fluctuate over time as they are influenced by various factors, including the company's performance, market conditions, company news and announcements, investor sentiment, and economic and political factors (Gunawan, 2020).

The relationship between the supply and demand of stocks determines stock prices in the capital market. If the supply of stocks exceeds the demand, the stock price will decrease. Conversely, the stock price will increase if the demand for stocks exceeds the supply. Therefore, stock prices are influenced by the overall market dynamics that involve the interaction between the supply and demand of stocks (Maulana & Yuliana, 2022).

Companies listed on the stock exchange will have continuously updated and openly traded stock prices. These stock prices are displayed on stock trading platforms and can change in real time during market trading hours. Stock prices are important as they can be used to measure the market value of a company and provide an indication of investor interest in the stock. Investors and traders can buy and sell stocks with the hope of making a profit from future changes in stock prices.

METHODS

Research methodology is a series of steps and techniques used in the process of scientific investigation to gain a deeper understanding of a phenomenon or research problem.

Research methodology involves the selection of approaches, design, data collection techniques, data analysis, and interpretation of results appropriate to the defined research objectives (Sugiono, 2016). This research is conducted at PT—Indonesia Stock Exchange (IDX) by accessing the website www.idx.co.id. The object of this research is the stock price of PT GOTO Gojek Tokopedia. In this research, the analyzed variables can be divided into dependent variables (Y) and independent variables (X).

The dependent variable (Y) is the stock price of PT. GOTO Gojek Tokopedia. This variable is influenced by independent variables (X), which include the current ratio, debt-to-equity ratio, and return on assets. These variables are potential factors that may affect or cause changes or occurrences of the dependent variable. In this analysis, the current ratio reflects the company's liquidity, the debt-to-equity ratio reflects the level of debt usage in the company's financing, and the return on assets reflects the level of profitability or efficiency in using the company's assets. These three independeonsidered to have the potential to influence the company's stock price.

Through this research, we will analyze the relationship between independent variables (current ratio, debt-to-equity ratio, and return on assets) and the dependent variable (stock price) to determine if there is a significant relationship between them. Thus, this research aims to identify the factors that can influence the stock price of PT. GOTO Gojek Tokopedia and understand to what extent these independent variables play a role in explaining the company's stock price variation.

Using this research methodology, the researcher will analyze the relationship between the dependent variable (the stock price of PT. GOTO Gojek Tokopedia) and the independent variables (current ratio, debt-to-equity ratio, and return on assets). The researcher will use data obtained from the website www.idx.co.id to conduct the analysis and draw conclusions regarding the influence of independent variables on the stock price of PT. GOTO Gojek Tokopedia.

In this research, the type of data used is quantitative data. Quantitative data is a type of data in research that is expressed in the form of numbers or numerical data. This data can be measured, calculated, and analyzed using statistical methods (Lee & Wong, 2001). Quantitative data provides objective information that can be numerically measured, allowing researchers to conduct systematic statistical analysis. The data source used in this research is secondary data obtained from the quarterly financial reports of PT. GOTO Gojek Tokopedia Tbk published by the Indonesia Stock Exchange. The population in this research includes all available quarterly financial reports from 2022 to 2023.

In this research, a sampling technique called nonprobability sampling will be used, specifically the saturation sampling technique. Nonprobability sampling is a sampling method where all members of the population do not have an equal chance of being selected as a sample (Acharya et al., 2013). In this technique, the researcher uses a subjective or non-random approach in selecting the sample. Thus, no probability basis is used to select a sample representing the entire population (Sugiono, 2016). Using the saturation sampling technique, the researcher will analyze all available quarterly financial reports of PT. GOTO Gojek Tokopedia Tbk from 2022 to 2023.

This research uses secondary data. Secondary data refers to data collected by others or in a different context and is then used by researchers for their own analysis or research purposes. The researcher does not directly collect this data, but it is sourced from existing sources.

The data collection method used is non-participant observation. Non-participant observation is a data collection method where the researcher acts as an observer who is not directly involved with the research object (Sugiono, 2016). In non-participant observation, the researcher independently observes the research object without directly intervening or interacting with the observed situation or individuals. The purpose of non-

participant observation is to gain an objective understanding of the observed behaviour, interaction, or phenomenon.

In non-participant observation, the researcher acts as an external observer who records, analyzes, and draws conclusions based on what they observe (Ciesielska et al., 2018). They can use various observation techniques such as direct observation, observation through video recordings, or document analysis. The advantage of non-participant observation is the objectivity in data collection. By not being directly involved in the observed situation or interaction, the researcher can maintain a neutral perspective and not influence the behaviour of the research subjects. This method can also provide more accurate data as no researcher influences the research object. The data used in this research consists of annual financial reports obtained through the website www.idx.co.id. Data and information are also collected through internet sources, journal articles, and relevant literature studies to support the research process.

RESULTS

PT. Goto Gojek Tokopedia Tbk is a merged company of two Unicorn startups at that time, namely Gojek, which operates in the transportation services sector, and Tokopedia, which operates in the e-commerce sector. With their merger, they formed PT. Goto Gojek Tokopedia Tbk, and on April 7, 2021, the company started its initial public offering (IPO) on the Indonesia Stock Exchange (IDX). The following is a summary table 1 of PT. Goto Gojek Tokopedia Tbk's financial statements for 2022-2023.

Table 1. Summary of PT Goto Gojek Tokopedia's Financial Statements for 2022-2023.

Akun	Q1 2022		Q2 2022		Q3 2022		Q4 2022		Q1 2023	
Total Asset	Rp	151.137.756	Rp	158.921.410	Rp	154.795.998	Rp	139.216.570	Rp	135.959.043
Total Laba Bersih	-Rp	6.573.649	-Rp	14.138.641	-Rp	20.719.501	-Rp	6.573.649	-Rp	3.954.631
Total Liabilitas Lancar	Rp	12.895.094	Rp	12.059.203	Rp	12.464.234	Rp	12.162.456	Rp	11.536.495
Total Aset Lancar	Rp	30.871.644	Rp	39.221.274	Rp	35.457.608	Rp	34.180.478	Rp	31.314.794
Total Liabilitas	Rp	16.614.931	Rp	15.787.087	Rp	15.797.140	Rp	16.493.226	Rp	15.636.367
Total Equitas	Rp	134.522.825	Rp	143.134.323	Rp	138.998.858	Rp	122.723.344	Rp	120.322.676

Source: Processed data, 2023

The t-test is used to determine whether independent variables have a significant partial effect on the dependent variable. This test uses a significance level of 0.05, indicating a confidence level of 95%. If the significance value resulting from the t-test is smaller than the specified significance level (0.05), we can accept the alternative hypothesis.

This means sufficient evidence exists to state that an independent variable partially affects the dependent variable. In other words, the independent variable has a significant and meaningful influence on the dependent variable in the context of this test. Here is the table for the t-test:

Table 2. T-Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2836,303	390,264		7,268	,087
	Return_On_Asset	3002,797	676,244	,980	4,440	,141
	Current_Ratio	35,180	55,014	,085	,639	,638
	Debt_to_Equity_Ratio	-20858,473	2682,292	-1,641	-7,776	,081

a. Dependent Variable: Harga_Saham

Source: Processed data, 2023

Based on the table 2 t-test results, it was found that Return On Assets (ROA) does not have a significant partial effect on the Stock Price of PT GOTO Gojek Tokopedia. This effect can be seen from the sig (significance) value of 0.141, greater than the predetermined significance level of 0.005.

Based on the mentioned results, the Current Ratio does not have a significant partial effect on the stock price of PT GOTO Gojek Tokopedia. This can be observed from the Current Ratio value of 0.638, greater than the predetermined significance value of 0.005. Based on the mentioned Sig value of 0.081 for the Debt to Equity Ratio (DER) variable, it can be concluded that DER does not have a significant partial effect on the stock price of PT GOTO Gojek Tokopedia. Therefore, hypothesis H3 is rejected. The F-test is used to determine whether the independent variables have a significant influence on the dependent variable. In this test, a confidence level of 0.05 is used, meaning the accepted significance level is 5%.

Table 3. F-Test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	63801,879	3	21267,293	25,706	,144[b]
	Residual	827,321	1	827,321		
	Total	64629,200	4			

a. Dependent Variable: Harga_Saham

b. Predictors: (Constant), Debt_to_Equity_Ratio, Current_Ratio, Return_On_Asset

Source: Processed data, 2023

The Table 3 F-test shows that the calculated F-value is 265.706 with a significance level (sig) of 0.144 or a significance value of 0.144, greater than the probability value of 0e, concluded that ROA, CR, and DER do not have a significant simultaneous effect on the stock price of PT GOTO Gojek Tokopedia Tbk. This research differs from the findings of a study conducted by (Suryawan & Wirajaya, 2017), which stated that ROA, CR, and DER have a significant simultaneous effect on the stock price.

DISCUSSION

In this study, ROA is considered one of the independent variables presumed to have the potential to influence the stock price. However, based on the conducted t-test, no strong evidence was found to support a significant influence of ROA on the company's stock price. This is consistent with a study conducted by (Amalya, 2018), which stated that Return on Asset does not partially affect the stock price.

In this context, the rejection of hypothesis H2 indicates that there is not enough statistical evidence to claim that Current Ratio has a significant influence on the company's stock price. In other words, Current Ratio, individually, cannot be relied upon to explain the variation in the stock price of PT GOTO Gojek Tokopedia. This differs from a study conducted by (Batubara & Purnama, t.t.), which stated that Current Ratio has a positive partial effect on the stock price.

The results indicate that in the context of this study, there is not enough strong statistical evidence to claim that Debt to Equity Ratio significantly influences the company's stock price. In other words, DER, individually, cannot be relied upon to explain the variation in the stock price of PT. GOTO Gojek Tokopedia. This is in contrast to a study conducted by (Fitrianingsih & Budiansyah, 2019) which stated that Debt to Equity Ratio does influence the stock price.

It should be acknowledged that different studies may yield different results, and various factors such as research methodologies, sample sizes, and specific contexts can contribute

to divergent findings. In the present study, based on the available data and analysis, the statistical evidence does not support a significant relationship between DER and the stock price of PT. GOTO Gojek Tokopedia. Further research and analysis may be necessary to understand the specific factors influencing the company's stock price dynamics.

CONCLUSION

Based on the analysis of the available data, it can be concluded that the variables under study, namely Return On Asset (ROA), Current Ratio, and Debt to Equity Ratio (DER), do not significantly influence the stock price of PT. Goto Gojek Tokopedia Tbk. This implies that the company's profitability (ROA), liquidity (Current Ratio), and financial leverage (DER) do not have a substantial impact on the fluctuations in its stock price. However, it is important to note that these findings are specific to PT. Goto Gojek Tokopedia Tbk and may not necessarily apply universally to all companies or industries. Further research and analysis are needed to explore additional factors that may contribute to the stock price dynamics of the company.

A suggestion for further research is to expand the research subject to a broader scope, as the data used in this study were secondary data from quarterly financial reports from 2022-2023, resulting in a relatively small amount of data being used.

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