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Analysis of the Fundamental Factors of the Company That Affects the Return of the Company's Shares (Study on Toll Road, Port, Airport and Transportation Sub-Sector Companies Listed on the Indonesia Stock Exchange 2013-2018)

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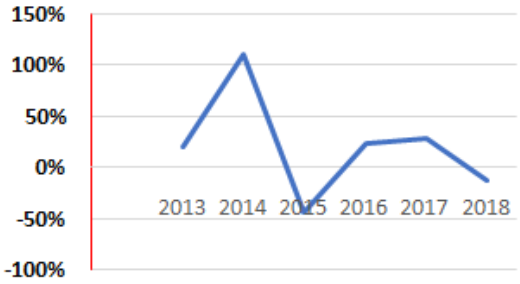
Abstract:- This research aims to determine the effect of liquidity, profitability, capital structure, firm size, and earning per share on stock return. The population in this study were infrastructure, utilities and transportation sectors companies listed on the Indonesia Stock Exchange in the period 2013 to 2018. The sample was determined using purposive sampling technique. The data analysis method used is panel data regression analysis. The selected model is the Common Effect Model. The results showed that the liquidity, profitability, capital structure, firm size, and earning per share simultaneously affect stock return. Partially it is found that profitability and earning per share have a positive effect on stock return, capital structure has a negative effect on stock return,while liquidity and firm size has no effect on stock return.

Keywords:- *Liquidity, Profitability, Capital Structure, Firm Size, Earning Per Share, Stock Return*

I. INTRODUCTION

Development is currently growing rapidly in Indonesia, especially infrastructure development. Various sections of inter-provincial roads, toll roads, ports, and airports were built by the central government.Infrastructure development is one of the nine priority program Joko Widodo-Jusuf Kalla. Infrastructure development is considered to improve connectivity and stimulate competitiveness between regions throughoutIndonesia. rapid infrastructure growth does not necessarily raise prices shares and *returns* of shares of toll road, port, airport and transportation sub-sectors listed on the Indonesia Stock Exchange(BEI) in the period 2013 to 2018. In Grafik Return the shares are displayed as follows:



Graph 1 : Stock Return Chart of Toll Road, Port, Airport and Transportation Sub-Sector

From the graph above, toll road sub-sector companies, ports, airports and transportation have volatile stock returns every year.Even *the return* of shares decreased dramatically from 2014 to 2015 where the return *of* shares was negative while in the RPJMN in 2015-2019 infrastructure development increased rapidly compared to rpjmn in 2010-2014.

This research is important for investors as well as companies to conduct analysis and know what fundamental factors of the company are needed that caninfluence fluctuations in *stock* returns. In penelitiananlisa fundamental factors of companies in the sub-sector of toll roads, ports, airports and transportation this financial ratio that can be used to predict *fluctuations in stock returns* include *liquidity* (Current Ratio), *Profitability* (Return on Equity),Capital Structure (Debt to Equity Ratio), Size or *sizeof* the company and *Earning Per Share.* The capital structure that is an indicator in this study is *the Debt to Equity Ratio* (DER) reflects the company's ability to meetall its obligations as indicated by how much part of its own capital is used to pay down debt.

The size or size *of* the company that affects the size of the company is the total assets of the company.The larger the size of the company, the better the prospect, the relatively longer period of time and stable condition.Due to the results of different research, it is necessary to do more research on the effect of *size* or size of the company on *stock* return. *Earning per share* (EPS) is one of the market ratios to measure how much revenue for each stock has been outstanding.The amount of EPS indicates the amount of net profit of the company that is ready to be distributed to shareholders of the number of shares outstanding.

II. LITERATURE

a. Capital Asset Pricing Model (CAPM)

The Capital Asset Pricing Model (CAPM) explains the relationship between return and beta. Capm's understanding was first raised in the mid-1960s by Sharpe, Linter and Mossin. The main *functions of the Capital Assets Pricing Model* (CAPM) according to Zubir (2011:12), namely:

1. As a *benchmark in*evaluating therate of return*of*an investment.
2. Assist in predicting or *predicting the expected return* of an asset that is or has not been traded in the market.

b. ***Tradeof Theory***

Trade off theory states that the optimal capital structure is achieved at a time when there is a balance between the benefits and sacrifice of debt use.*Trade Off Theory* contributes importantly:

1. Companies that have high total assets should use less debt.
2. Companies that pay high taxes should use more debt than companies that pay low taxes.

c. ***Signaling Theory***

Signaling theory assumes*that there is*asymmetry of information between managers and investors or potential investors. Asymmetry of information in the capital market occurs manajer is seen as having information about companies that are not owned by investors or potential investors. The theory of advertising explains the reason why it is important for companies to present information to the public (Wolketal., 2013).

d. ***Information asymmetry***

Here are some theories about information asymmetry according to experts:

a. According to Scoot (2009:105), information asymmetry is one of the parties involved in the transaction has advantages and advantages of information about the assets traded compared to other parties.
b. According to Jogiyanto (2010:387), information asymmetry is a condition that indicates some investors have information and others do not have.

e. ***Liquidity***

According to Hani (2015:121), the definition of liquidity is the ability of a company to meet all financial obligations that can be disbursed immediately or that are due. measure the company's liquidity in this *study using current ratio* (CR).The reason is liquidity using *current ratio* (CR), because the debt life is 1 year and includes inventory (financial statements that are often used in annual *reports* or annual reports).Mathematically current *ratio* (CR) can be formulated as follows:

$$Current\ Ratio = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

f. ***Profitability***

According to Irawati (2006:58), profitability ratio is a ratio used to measure the efficiency of the use of company assets or is the ability of a company to make a profit during a certain period.The profitability ratio used in this measurement is Return on Equity (ROE).The reason is profitability using Return on Equity (ROE) ratio instead of other ratios such as ROA, NPM, TATO, because Return on Equity (ROE) is more indicative of every profit generated by the company to the profit obtained by investors, in other words measuring the return obtained from the investment of the owner of the company in the business. Mathematically Return *on Equtiy* (ROE) can be formulated as follows:

$$Return\ on\ Equity = \frac{\text{Net Income}}{\text{Total Equity}}$$

g. ***Capital Structure***

According to Riyanto (2008:296) The capital structure is a balance or comparison between foreign capital (long-term) and own capital. The capital structure is a mirror of the company's policy in determining the "type" of securities specified.

From the components, according to Riyanto, the capital structure component is divided into 2, namely:

1. Foreign Capital (foreign capital)
2. Own Capital

In this study, capital structure was measured by Debt to Equity Ratio (DER). The reason is solvency using Debt to Equity Ratio (DER)instead of other ratios such as debt ratio, long term debt to capitalization ratio, long term debt to equity ratio, time interest earned, cash flow to net income, cash flow interest coverage and cash return on sales because with this ratio can measure the ability of the company in fulfilling all its obligations indicated by some parts of its own capital used to pay debt.Debt to total shareholder's equity held by the company.

Mathematically debt to equity ratio (DER) can be formulated as follows:

$$Debt\ to\ Equity\ (DER) = \frac{\text{Total Debt}}{\text{Equity}}\ \text{x}\ 100\%$$

h. ***Company Size***

The size of the company can be seen from the size of a company that appears on its total assets on the balance sheet report. The size of the company is a scale that classifies small, medium and large companies based on total assets. Systematically can be formulated as follows:

Company Size = Ln Total Asset

With a larger total assets the company is considered to have positive cash flow and better prospects over a relatively long period of time so that the company is relatively more stable and more able to generate profit compared to companies that have small total assets.

i. ***Earning Per Share***

EPS (Earning per Share) growth is an important measure of the company's performance because it shows how much money the company generates for its shareholders. The amount of EPS value can be calculated from the net income and the number of shares outstanding in the financial statements issued by the company.

EPS = (Net Income)/(Number of Shares Outstanding)

Investors use EPS as a key component in the analysis of decision-making to buy or sell shares due to:

1. Can estimate the intristic value of a stock
2. The dividend paid by the company basically comes from the company's profit
3. There is a relationship between earning changes and changes in stock returns.

j. ***Stock Return***

According to Samsul (2006:291), *return is income* expressed in percentage of initial investment capital. Investment income in these shares is the profit gained from buying and selling shares, where if profit is called capital gain and if loss is called capital *loss*.

To predict stock *returns* many factors can be used as parameters. To find out if the resulting financial information can already be useful to predict the price or return of shares in the capital market, including the financial condition of the company in the future is by doing an analysis of financial ratios.

$$Return = \frac{\mathrm{Pt} - (\mathrm{Pt} - 1)}{(\mathrm{Pt} - 1)}$$

Description:

R = *Stock* Return
Pt = Current Share Price
Pt-1 = Last Period Share Price

III. CONCEPTUAL FRAMEWORK

Conceptual Framework isto analyze the influence between liquidity, profitability, capital structure, size/ *size of* the company, *earning per share* with *return* on shares.

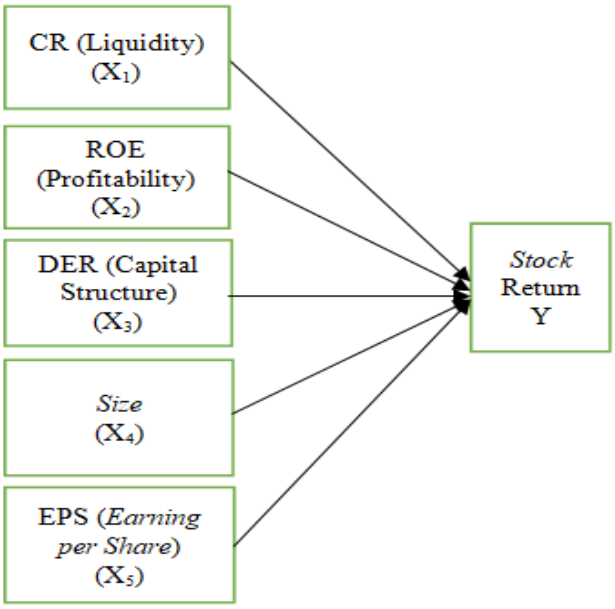


Figure 1: Conceptual Framework

H1 :Current Ratio isexpected to have a positive effect on stock returns
H2 :Return on Equity is expected to have a positive effect on stock returns
H3 :Debt to Equity Ratio is expectedto havea positive effect on stock returns
H4 :The size of the company is suspected to have a positiveeffect on stock returns
H5 :Earning Per Share is expected tohavea positive effect on stock returns

IV. RESEARCH METHOD

Data type used in this study uses quantitative research methods.The information obtained is collected using research *instruments*, statistical data analysis aimed at testing establishedhypotheses.The type of research used is explanation research that explains the kausal relationship between one or more in dependent *variables* to the dependent *variable*. This study aims to test free variables namely liquidity level (CR), profitability (ROE), struktur modal (DER), ukuran / *company size*and earning*per share* (EPS) against the return *of* shares as bound variables.

a) Population And Sample

The selected population is all toll road, port, airport and transportation sub-sector companies listed on the Indonesia Stock Exchange as many as 47 companies.

Anumber of companies were taken as research samples as many as 13 companies.

b) Data Analysis Method

Data analysis method is done by the following methods:

1. Data Analysis Method: provides an overview and characteristics of the data used in research so that it is easy to understand and canbe translated.
2. Data Regression Analysis Panel: panel data is a combination of time series and cross section data.

3. Data Panel Regression Model Selection: by using ChowTest, Haussman Test and Lagrange Multiplier Test (LM)

c) Regression Model Assumption Test
Regression Model Assumption Test isdone by asMulticolinearity Test,and Heteroskedastisity Test.
d) Hypothesis Test

Hypothesis test in the study using Model Significance Test (Test – F),Goodness of Fit (R2) andFree Variable Significance Test (Uji - t).

V. RESULTS AND DISCUSSIONS

The object in this studyis asub-sector of toll roads, ports, airports and transportation listed onthe Indonesia Stock Exchange for the period 2013 to 2018. Infrastructure, utilities and transportation sectors in Bursa Efek Indonesia is divided into five sub-sectors, namely: energy sub-sector.

a) Common Effect Models

The following analysis of panel data with common effect model can be seen in the Table:

Dependent Variable: RS
Method: Panel Least Squares
Sample: 2013 2018
Periods included: 6
Cross-sections included: 13
Total panel (balanced) observations: 78

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.292597	0.214059	1.366897	0.1759
CR	0.077691	0.104547	0.743124	0.4598
ROE	1.074347	0.219752	4.888906	0.0000
DER	-0.168619	0.054760	-3.079250	0.0029
SIZE	-0.034852	0.030670	-1.136355	0.2596
EPS	0.003862	0.001238	3.120190	0.0026

R-squared	0.641633	Mean dependent var	0.209585
Adjusted R-squared	0.616747	S.D. dependent var	1.288091
S.E. of regression	0.797425	Akaike info criterion	2.458945
Sum squared resid	45.78379	Schwarz criterion	2.640230
Log likelihood	-89.89884	Hannan-Quinn criter.	2.531516
F-statistic	25.78231	Durbin-Watson stat	1.492681
Prob(F-statistic)	0.000000		

Table 2 : Common Effect Models

Multiple Regression Equations Are Obtained As Follows:
RS_{it}= 0.292597 + 0.077691CR_{it} + 1.074347ROE_{it} – 0.168619DER_{it} – 0.034852$SIZE_{it}$ + 0.003862EPS_{it}

From the equation above, it shows that CR, ROE & EPS have a positive relationship with RS. While DER & SIZE have a negative relationship with RS.

b) Fixed Effect Model

Dependent Variable: RS
Method: Panel Least Squares
Sample: 2013 2018
Periods included: 6
Cross-sections included: 13
Total panel (balanced) observations: 78

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.043577	0.586968	0.074241	0.9411
CR	0.131558	0.125331	1.049681	0.2981
ROE	1.082088	0.233285	4.638478	0.0000
DER	-0.195044	0.058965	-3.307775	0.0016
SIZE	-0.008694	0.073678	-0.117996	0.9065
EPS	0.002876	0.001482	1.940709	0.0570

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.708898	Mean dependent var	0.209585
Adjusted R-squared	0.626419	S.D. dependent var	1.288091
S.E. of regression	0.787298	Akaike info criterion	2.558754
Sum squared resid	37.19029	Schwarz criterion	3.102610
Log likelihood	-81.79142	Hannan-Quinn criter.	2.776470
F-statistic	8.594895	Durbin-Watson stat	1.817426

Table 3 : Fixed Effect Model

Dobtained the following multiple regression equation:
RS_{it} = 0.043577 + 0.131558CR_{it} + 1.082088ROE_{it} – 0.195044DER_{it} – 0.008694$SIZE_{it}$ + 0.002876EPS_{it}

From the equation above, it shows that CR, ROE & EPS have a positive relationship with RS. While DER & SIZE have a negative relationship with RS.

c) *Random Effect Model*

Dependent Variable: RS
Method: Panel EGLS (Cross-section random effects)
Sample: 2013 2018
Periods included: 6
Cross-sections included: 13
Total panel (balanced) observations: 78
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.276708	0.266026	1.040152	0.3017
CR	0.088774	0.109671	0.809459	0.4209
ROE	1.072385	0.222537	4.818913	0.0000
DER	-0.177031	0.055821	-3.171421	0.0022
SIZE	-0.033728	0.035427	-0.952042	0.3443
EPS	0.003612	0.001282	2.818250	0.0062

Effects Specification	S.D.	Rho
Cross-section random	0.269390	0.1048
Idiosyncratic random	0.787298	0.8952

Weighted Statistics

R-squared	0.655077	Mean dependent var	0.160627
Adjusted R-squared	0.631124	S.D. dependent var	1.263144
S.E. of regression	0.767172	Sum squared resid	42.37584
F-statistic	27.34848	Durbin-Watson stat	1.601901
Prob(F-statistic)	0.000000		

Table 4 : Random Effect *Model*

Dobtained the following multiple regression equation:
$RS_{it} = 0.276708 + 0.088774CR_{it} + 1.072385ROE_{it} – 0.177031DER_{it} – 0.033728SIZE_{it} + 0.003612EPS_{it}$

From the equation above, it shows that CR, ROE & EPS have a positive relationship with RS. While DER & SIZE have a negative relationship with RS.

d) Chow Test

Redundant Fixed Effects Tests Equation: Untitled Test cross-section fixed effects			
Effects Test	Statistic	d.f.	Prob.
Cross-section F	1.155342	(12,60)	0.3354
Cross-section Chi-square	16.214833	12	0.1816

Table 4 : Chow Test Results

Dis seen that the probability value of Cross-section Chi-square is 0.1816 where the value is greater than 0.05. Thus, H0 is accepted and H1 is rejected. That is, the approach of model estimation follows the common effect of the model. In other words, the common effect model is better than the fixed effectmodel.

e) Hausman Test

Correlated Random Effects - Hausman Test Equation: Untitled Test cross-section random effects			
Test Summary	Chi-Sq. Statistics	Chi-Sq. D.f.	Prob.
Cross-section random	1.365967	5	0.9280

Table5 : Hausman Test Results

Probability cross-section random is worth 0.9280 which means it has a significance less than the level of trust (α = 5%). So the decision taken on hausman test is that H0 is accepted and H1 is rejected. In other words, the model follows the random effect of the model. Or it can be concluded that random effect model is better than fixed effect model.

f) Lagrange Multiplier Test

Lagrange Multiplier Tests for Random Effects			
Sample: 2013 2018			
Total panel observations: 78			
Null (no rand. EffectAlternative	Cross-section One Side	Period One-Side	Both
Breusch-Pagan	0,036428	0,310117	0,346544
	(0,8486)	(0,5776)	(0,5561)

Table 6 : Lagrange Multiplier Test Results

It is note that the probability value of the Breusch-Pagan Cross-section is 0.8486. That value is greater than α. Thus, H0 is accepted and H1 is rejected. That is, the approach of model estimation follows the common effect of the model. In other words the common effect model is better than the random effect model.

g) Multicollinierity Test

	CR	ROE	DER	SIZE	EPS
CR	1.000000	-0.048710	-0.179805	0.561229	0.160176
ROE	-0.048710	1.000000	-0.529871	0.036470	0.468695
DER	-0.179805	-0.529871	1.000000	0.021199	-0.363286
SIZE	0.561229	0.036470	0.021199	1.000000	0.303069
EPS	0.160176	0.468695	-0.363286	0.303069	1.000000

Table 7: Multicollinierity Test Results

It is known that the entire correlation coefficient value between free variables does not contain a value greater than 0.8. Thus it can be concluded that there is no multicolinearity between free variables.

In addition, multicolinearity can be seen from variance inflation factor (VIF) values. Multicolinearity occurs if the VIF value is around the number 1 and does not exceed 10. Multicolinearity test results on regression model can be seen in the following table:

Variable	Coefficient Variance	Uncentered VIF	Centered Vif
Cr	0,011	3,566	1,603
Roe	0,048	1,748	1,674
Der	0,003	1,604	1,544
SIZE	0,000	1,725	1,503
Eps	0,000	1,388	1,366

Table 8 : VIF Test Score Results

Indicates that no VIF value is greater than 10. Where the VIF value for cr variable is 1,603, ROE variable is 1,674, DER variable is 1,544, SIZE variable is 1,503 and EPS variable is 1,336. Thus it can be concluded that there is no multicolinearity between free variables.

h) Heterosceticity Test

Dependent Variable: RESABS Method: Panel Least Squares Sample: 2013 2018 Periods included: 6 Cross-sections included: 13 Total panel (balanced) observations: 78			
Variable	Coefficient	Std. Error	t-Statistic	Prob.

C	0.564561	0.406616	1.388437	0.1701
Cr	-0.050117	0.086822	-0.577237	0.5659
Roe	0.281228	0.161606	1.740208	0.0869
Der	-0.081370	0.040847	-1.992036	0.0509
SIZE	-0.001914	0.051039	-0.037501	0.9702
Eps	-0.000977	0.001026	-0.951907	0.3450

Table 9 : Heteroskedastisity Test Results

Probability on each variable has a value greater than 0.05 (alpha). So the decision taken was to accept Ho i.e. there were no symptoms of heterosceticity.

i) *F-test*

When viewed from the previous Model Common Effect table, that *the p-value* of F-statistics is 0.00000 < 0.05. Therefore, it can be concluded that CR, ROE, DER, SIZE and EPS simultaneously affect RS in 13 infrastructure subscompanies, utilities and transportation in BursaEfek Indonesia period 2013-2018.

j) *Coefficient of Determination (R^2)*

In the *Fixed Effect* Model *Table*,R-Squared is 0.641633. This can be interpreted that the free variables in this study namely CR, ROE, DER, SIZE and EPS together can explain the bound variables that are RS of 64.16%, the remaining 35.84% explained by other variables outside the research model.

VI. DISCUSSION

➢ *The Effect of Liquidity (Current Ratio) on Stock Returns*

The partial test result (t-test) states that the probability value obtained by the current ratio variable (CR) is 0.4598 which is above the trust level of 0.05. Therefore, the decision taken was to accept H01 and reject Ha1. Cr coefficient has a positive relationship direction with a value of 0.077691 which means that if the current ratio (CR) increases by one unit, then the return on shares will decrease by 0.077691. The results showed that the current ratio (CR) had no positive effect on the return of shares in infrastructure, utilities and transportation subsectors on the Indonesia Stock Exchange in the period 2013-2018.

The results of the first hypothesis are in line with research conducted by Puspitasari, Herawati, & Sulindawati (2017), Tumonggor, Murni, & Rate (2017), Arisandi (2014), Defrizal (2015) which stated that CR has no effect on stock returns. However, the results of this study are not in accordance with research conducted by Sugiarti, Surachmman, & Aisjah (2015) which stated that CR has a negative effect on stock returns as well as Khan, et al (2013), Heikal (2014) and Supatmoko (2016) stating that CR affects stock returns.

Based on the results of the research can be interpreted that the current ratio does not affect the return of shares, this is due to the sense that a large CR in the company is interpreted variedly by investors. Some investors will interpret that cr's high condition reflects that the company is in liquid condition which means that the company has a good ability to fund the company in the short term. However, some investors have different opinions, where the high CR precisely reflects the company's ability to optimize current assets in poor conditions.

Negative effect caused by several factors caused by the company, namely the performance of banks is not only healthy independently but also for the future must have good prospects. This condition means that a low CR is usually considered to indicate a problem in liquidity and is an early indicator of the company's inability to meet its short-term obligations. High CR, which means high liquidity also indicates that companies are less able to manage money to create money, which can ultimately reduce the company's ability. Investors often judge that the greater CR shows the size of the company's ability to meet its operational needs, especially working capital which is very important to maintain the perfomance of the company's performance which ultimately affects the performance of the share price. This can give investors confidence to own shares of the company so as to increase the return on shares.

In addition, CR has limitations where CR is a static (fixed) measure that measures the resources available at a certain time to meet current obligations. The resources available today are not enough to represent future cash inflows. In addition, the weakness of CR can be "window dressing" by the management. Management can take certain steps to make the balance sheet look good so as to generate good CR value. With this possibility, investors may be careful in choosing what ratios will be considered so that it is possible that investors do not include CR in their considerations. If so, cr will have no effect on its decision and will not affect the share price.

➢ *The Effect of Profitability (Return on Equity) on Stock Returns*

Based on the data in Table 4.7, the partial test result (t-test) states that the probability value obtained by the return on equity (ROE) variable is 0.000 which is below the confidence level of 0.05. Therefore, the decision taken was to reject H02 and accept Ha2. Roe coefficient has a positive relationship direction with a value of 1.074347 which means that if the return on equity (ROE) increases by one unit, then the return on shares will increase by 1.074347. The results showed that the return on equity (ROE) had a positive effect on the return of shares in infrastructure, utilities and transportation subsectors on the Indonesia Stock Exchange for the period 2013-2018.

The results of the second hypothesis are in line with research conducted by Sugiarti, Surachmman, Aisjah (2015) which states that ROE has an effect but is not significant on stock returns, as well as Rufaida (2015) and Khan, et al (2013), Heikal (2014) and Tamuntuan (2015) and Defrizal (2015) stating that ROE affects stock returns. However, the results of this study are not in accordance with the research conducted by Putri (2016), Tumonggor, Murni, Rate (2017) which states that ROE has no effect on stock returns.

Based on the results of the research can be interpreted that return on equity affects the return on equity, meaning that if the higher the return on equity, then the share price will increase. Return on equity is a show of the company's ability to manage capital from shareholders to earn net income. The higher return on equity will lead to higher share prices, the amount of return on equity indicates the level of return that investors will receive. the higher the return on equity, the higher the return that investors will receive, so investors will be interested in buying the company's shares and this will cause the share price to tend to rise. On the contrary, the lower the value of return on equity, the lower the share price of a company.

Return on equity (ROE) can be large because the profit increases or the capital decreases (Wiagustini, 2010:87). Declining capital at a company makes it possible for such companies to be in debt. But the results showed that return on equity affects the return on equity means that high low return on equity will not affect investors in their investment decision making, because if the company is able to manage its capital well it will be able to make a profit. Therefore, not all companies whose capital decreases will affect the return of the company's shares.

High Return On Equity (ROE) means that the company maximizes its equity effectively and efficiently, while a low Return On Equity (ROE) indicates that the company is ineffective and efficient in maximizing its equity. The higher Return On Equity (ROE) shows the company succeeds in managing and empowering its equity to make a profit. In this regard, it will have a positive impact for investors, namely making the added value of investors' attractiveness to withdraw their funds in the company. So it will make the share price increase in other words Return On Equity (ROE) has a positive impact on the return of shares.

- *Effect of Debt to Equity Ratio on Stock Return*

Based on the data in Table 4.7, the partial test result (t-test) states that the probability value obtained by the debt to equity ratio (DER) variable is 0.0029 which is below the confidence level of 0.05. Therefore, the decision taken was to reject H03 and accept Ha3. The DER coefficient has a negative relationship direction with a value of 0.168619 which means that if the debt to equity ratio (DER) increases by one unit, then the return on shares will decrease by 0.168619. The results showed that the debt to equity ratio (DER) had a negative effect on the return of shares in infrastructure, utilities and transportation subsectors on the Indonesia Stock Exchange for the period 2013-2018.

The results of the third hypothesis are in line with research conducted by Astuti (2013) and Fitriana (2016), Dayal et.al (2017) which stated that DER negatively affects stock returns. However, the results of this study are not in accordance with the research conducted by Rufaida (2015), Putri (2016), Defrizal (2015) which stated that DER has no effect on stock returns.

Based on the results of the study can be interpreted that variable debt to equity ratio (DER) negatively affects stock returns. This means that the decrease in the value of debt to equity ratio (DER) will be followed by an increase in the return of shares. DER negatively affects the return of shares shows that the business capital structure utilizes more funds derived from the company's internal capital to generate profit and reflect the company's relatively low risk. Long-term lenders prefer a small DER ratio because it shows that the greater the amount of assets funded by the capital owner so that the less risk the lender will indirectly affect the increase in share return for the capital owner.

Debt to equity ratio is a ratio used to measure how much the company's overall fund needs is financed with total debt. The higher this ratio means the greater the amount of loan capital used to invest in assets in order to generate profits for the company. While the low DER value indicates that the company's funds are financed slightly by debt, this can affect the increase in stock returns. This ratio measures how much of the company's assets are financed by creditors. DER negatively affects stock returns due to high debt to equity ratio will lower stock returns because investors react negatively. The statement was also supported by Modigliani-Miller's theory that the higher the debt to equtiy ratio return of shares will fall. As stated by Syamsuddin (2009:54) that the higher the debt to equty ratio the greater the amount of loan capital used in generating profits for the company.

The greater the debt to eutiy ratio, the more risk the company will have because the greater the capital that will be used by the company to guarantee the debt. The smaller the debt ratio, indicates that the debt borne by the company is low so this will be responded positively by investors in the capital market. In such conditions, the return of shares in the capital market will move up because the positive response indicates an increase in the number of stock demand. Thus it can be said that DER has a negative influence on the return of shares in the capital market. These results are in line with the theory that DER is used to measure how much the company's overall fund needs is financed with total debt (Retno, 2010:8). The high value of the debt to equity ratio (DER) indicates that most of the company's operations are financed by debt. This leads to high risk, as the profits obtained by the company will be prioritized to pay interest expense and debt principal. Another risk that investors with high DER fear is that the company fails to meet its obligations to pay its debts High risk causes stock returns to fall because the stock is less attractive to investors and demand for shares decreases.

In the initial hypothesis DER was declared poditif effect on stock return because the interest cost can be deductible in the calculation of tax (deductible tax) and control the excessive use of free cash flow. However, from the results of the company data that was sampled, DER yamg owned too high where based on descriptive statistical analysis of the maximum and minimum value of most dernya 3 (total debt 3 x more than the capital owned) even some whose DER value reaches 7 (total debt 7 x more than the capital owned)., so that the DER is very likely to cause the risk of paying a high interest expense of the debt so that the capital and assets of

the company and profit achieved can be achieved to pay the company's debt burden which has resulted in falling stock returns and decreased investor interest to invest due to the risk of too high debt.

- *Effect of Company Size (Size) on Stock Return*

Based on the data in Table 4.7, the partial test result (t-test) states that the probability value obtained by the company size variable (Size) is 0.2596 which is above the confidence level of 0.05. Therefore, the decision taken was to accept H04 and reject Ha4. Size coefficient has a negative relationship direction with a value of 0.034852 which means that if the size of the company (Size) increases by one unit, then the return on shares will decrease by 0.034852. The results showed that the size of the company (Size) did not negatively affect the return of shares in infrastructure, utilities and transportation subsectors on the Indonesia Stock Exchange for the period 2013-2018.

The results of the fourth hypothesis are in line with research conducted by Ahmad et.al (2013) which stated that size has no significant influence on stock returns. However, the results of this study are not in accordance with the research conducted by Prasetiono (2012) which stated that Size negatively affects stock returns. As well as by Fitriana & Oemar (2016), Nissa & Budiarti (2017), Acheampon & Shibu (2014), Abdulah and Tooheen (2015), Zaheri & Barkhordary (2015) and by Wasfi & Haneen (2016) stating that Size has a positive and significant effect on stock returns.

Based on the results of the study can be interpreted that the variable size of the company (Size) does not negatively affect the return of shares. This means that if the size of the company (Size) increases, then the return of shares will decrease. These results suggest that the size of the company will have no effect on the size of the share price. Insignificant test results showed that the size of the company at the time of publication of the financial statements was not informative enough and did not come to the attention of investors in making investment decisions and estimating returns in this observation period. Investors assume that large companies can not always provide a large level of return and vice versa, small companies do not close the kemung-kinan can provide a high level of return for investors.

However, the results of this study do not support the signaling theory that the size of the company has a positive influence on the share price. The size of the company has no effect on the share price. This is because investors do not pay attention to the size of the company and pay more attention to other good news that can increase the share price. According to Wiliandri (2011:98) that the larger the size of a company (size) that can be seen from the total assets of a company, the higher the company's share price, whereas if the size of the company is smaller then the share price will be lower. This means that investors in the capital market will be more interested in companies that have large total assets because large companies are easier to obtain loans because the value of assets used as collateral is greater and the bank's confidence level is also higher so that the company's stock market price on the Indonesia Stock Exchange will increase.

- *Effect of Earnings Per Share (EPS) on Share Return*

Based on the data in Table 4.7, the partial test result (t-test) states that the probability value obtained by the earning variable per share (EPS) of 0.0026 is below the confidence level of 0.05. Therefore, the decision taken was to reject H05 and accept Ha5. The EPS coefficient has a positive relationship direction with a value of 0.003862 which means that if the earnings per share (EPS) increases by one unit, then the return on shares will increase by 0.003862. The results showed that earnings per share (EPS) had a positive effect on the return of shares in infrastructure, utilities and transportation subsectors on the Indonesia Stock Exchange for the period 2013-2018.

Based on the results of the research can be interpreted that variable earning per share (EPS) has a positive effect on stock returns. This means that the higher the earning value per share (EPS) will be followed by an increase in the return of shares. The theory states that Earning Per Share (EPS) is positively related to Stock Return. For investors, EPS information is the most basic and useful information, because it can describe the prospect of earnings in a future company (Tandelilin, 2010:374). The increase in EPS means that the company is in the stage of growth or its financial condition is experiencing an increase in sales and profit. If the EPS of a high company will increase investors to buy and bid shares resulting in a high share price, high EPS indicates the company's ability to generate a net profit of each share is also high which will affect the return earned by investors in the capital market, Suarjaya (2013). In this case it can be interpreted that investors pay attention to the company's ability to generate net profit on each share in stock purchase decisions. Companies with higher EPS will attract investors because EPS shows the profit that shareholders are entitled to for a single share, so the higher the EPS value of a company means the greater the return on its shares. In this case there is a significant influence between Earning Per Share on the return of shares of infrastructure, utilities and transportation subsector companies listed on the Jakarta Stock Exchange.

EPS is used by investors to assess a company's earnings per share that can be generated, this indicates that the company has been able to provide prosperity for investors. Because each company has different EPS, then the company that is able to produce high EPS that will be sought by investors. With more and more investors looking for stocks with high EPS and then buying them, this has an impact on the company's share price. It can be said that although the level of money (rupiah) generated from each common stock in circulation is increasing, the return on shares that will be received by investors will also increase. With the increase in the company's share price, the return of shares that will be obtained by investors will also be higher meaning that in this case the increase in the share price also encourages the increase in stock returns.

VII. CONCLUSIONS AND RECOMENDATIONS

a) CONCLUSIONS

1. Liquidity (Current Ratio) has no positive effect on the return of shares in infrastructure, utilities and transportation subsectors listed on the Jakarta Stock Exchange for the period 2013-2018.
2. Profitability (Return on Equity) has a positive effect on the return of shares in infrastructure, utilities and transportation subsectors listed on the Jakarta Stock Exchange for the period 2013-2018.
3. Debt to Equity Ratio negatively affects the return of shares in infrastructure, utilities and transportation subsectors listed on the Jakarta Stock Exchange for the period 2013-2018.
4. The size of the company (Size) has no negative effect on the return of shares in infrastructure, utilities and transportation subsectors listed on the Jakarta Stock Exchange for the period 2013-2018.
5. Earnings Per Share (EPS) has a positive effect on the return of shares in infrastructure, utilities and transportation subsectors listed on the Jakarta Stock Exchange for the period 2013-2018.

b) RECOMENDATIONS

1. For investors and prospective investors who want to invest in infrastructure, utility and transportation subsectors on the Indonesia Stock Exchange should pay attention to Profitability (Return on Equity), Debt to Equity Ratio, and Earnings Per Share (EPS) that significantly affect stock returns.

a) Investors are advised to invest in companies that have profitability (Return on Equity), and higher Earnings Per Share (EPS) in order to get maximum return on shares.

b) Investors are expected not to invest in companies that have a very high Debt to Equity Ratio because they will have a high risk of paying the high interest expense of the company's debt and resulting in a decrease in the return of shares.

2. For infrastructure subsector companies, utilities and transportation can maintain the acquisition of share returns by:

a) Improving the profitability of the company by managing the company's business effectively and efficiently

b) Reduce the company's debts to other parties and not add any more debt because the debt ratio is already very high compared to the capital owned.

3. For researchers can further add other variables to find out the consistency of the influence of Dividend Payout Ratio (DPR), Return On Investment (ROI), Economic Value Added (EVA), Dividend Per Share (DPS), and others.

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