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The Impact of DER, TATO, CR, & EPS on Stock Prices Alongside DPR as a Mediation Variable

(Case Study of the Industrial Sector on the Indonesian Stock Exchange 2020-2022)

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ABSTRACT

This paper examines that impact of DER, TATTOO, CR, & EPS ratios on stock values, alongside Dividend Payout Ratio (DPR) acting as a mediating factor, focusing on consumer goods corporations during 2015 - 2019. The research population comprises industrial sector firms included in the Indonesia Stock Exchange for 2020 - 2022. Utilizing quantitative methods, secondary data, & purposive sampling, the study employs multiple linear analysis through SPSS 23. Findings suggest that DER, TATTOO, CR, & EPS do not impactfully affect DPR. However, DER, TATTOO, & CR impact stock values, while EPS & DPR do not. Additionally, the study concludes that DPR does not Bridge the relationship between DER, TATTOO, CR, EPS, & stock values.

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Share value, Total Asset Turnover, Earning Per Sharey, Divident Payout Ratio, Current Ratio, & Debt to Equity ratio.

1. Introduction

The modern economy is an economic system based on free market principles, where economic resources are allocated, produced & traded based on the forces of demand & supply. One of the characteristics of a modern economy is the existence of a capital market as an element of the economic system which helps support economic growth & development in business. There are many business sectors that use the capital market as a source of funds, including the industrial sector.

Based on Law Number 3 in 2014 that concerns industry, industry is a place where every economic undertaking is carried out which involves processing raw materials & also using Production resources for goods alongside augmented value or escalated benefits, encompassing industrial services. Established by the Central Statistics Agency (BPS, 2017), industry is a production unit or facility located in a certain location, which carries out raw material transformation activities using machines or manually to make new products, or change goods alongside low value into products alongside higher value. tall. The aim of this industry is to provide these products to end consumers.

According to a report published by the An Nur Lampung Islamic University Public Relations Team (2022) on their official website, industry is a very impactful sector in the Indonesian economy. Industry contributes massively to Indonesia's Gross Domestic Product (GDP), accounting for around 50% of the total. In 2021, Indonesia's industrial sector will experience growth of 4.3%. This growth was mainly triggered by growth in the processing industry subsector, which reached around 4.8%.

The manufacturing industry contributed around 73% of Indonesia's total industrial production, marking an escalation in growth of 16.63% from the previous year. Currently, optimism in the industrial sector is increasing, reflected in the escalation in Indonesia's manufacturing PMI index in April 2022 to 51.9, up from 51.3 in March 2022 (Shaleha & Yasin, 2023).

The industrial sector utilizes the capital market by issuing shares, which serve as documentation of ownership in a corporation. Shareholders hold the right to claim against The corporation's revenue & holdings. Based on Rusdin (2013), owning shares equates to owning a portion of the corporation. William Hartanto (2018) defines share values as representations of value or financial units alongsidein various financial instruments, suggesting ownership share in a corporation. These values reflect current estimations of future cash flows that shareholders anticipate receiving. Higher share values suggest a greater assessment of the corporation's value. Share value fluctuations closely correlate alongside changes in corporation value in the market, both upward & downward.

In the process of making stock investment decisions, Subhan & Suryansyah (2019) stated that understanding & studying investment through analysis is important. The purpose of this analysis is to provide an understanding of the performance of a corporation, because investment risk could escalate if investors do not understand the aspects involved in the investment. In carrying out analysis, there are two general approaches, namely technical analysis & fundamental analysis.

Darmaji & Fakhruddin (2012) describe technical analysis as a method of evaluating stocks by analysing statistical data derived from stock trading activities. Conversely, fundamental analysis involves assessing stocks based on indicators associated alongside the corporation's macroeconomic, microeconomic, & industrial conditions. These indicators

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encompass various financial & management ratios such as profitability, efficiency, & corporation indebtedness. The research utilizes ratio indicators including Total Asset Turnover (TATO), Earnings Per Share (EPS), Dividend Payout Ratio (DPR), Debt to Equity Ratio (DER) & Current Ratio (CR).

Previous studies by Pratiwi (2016), Wahyuni & Hafiz (2018), & Firdaus (2019) suggest that the DER impacts the DPR. Additionally, research by Dewi & Suwarno (2022) & Pratama (2021) suggests that DER affects stock values. Regarding the Total Asset Turnover (TATO), studies by Harahap et al. (2021) & Hek & Angeline (2019) demonstrate its impact on DPR, while Istiyowati & Putri (2022) & Prima & Istimawati (2019) provide evidence of Its impact on stock values. Moreover, the study by Hek & Angeline (2019) &Wahyuni & Hafiz (2018) suggests that the Current Ratio (CR) impacts DPR, while Imelda et al. (2018) & Ilmiyatus Sajiyah (2016) confirm its outcome on share values. Additionally, Wahyuni & Hafiz (2018) found that Earnings Per Share (EPS) impacts DPR, & Permatasari et al. (2019), Febrianti & Nurhayati (2019), Pratama (2021), & Sari (2021) demonstrate its outcome on share values.

Signalling Theory

According to Brigham & Houston (2019), signals refer to actions undertaken by corporation management to offer hints to Shareholders Regarding the corporation's future outlook. Spence (1973) explains that signals are a method for conveying information to the recipient of the information, in this case investors, to continue to involve investment in the corporation even in situations of uncertainty. Spence explains that management, as an information provider, must inform investors about its performance so that investors could adjust their decisions based on the signals received.

An annual report is a document that includes data regarding financial reports as well as non-financial aspects of the corporation, accounting information, & projections for the corporation's future. This document is prepared & published by the corporation, then used by investors as a framework for making investment choices. alongside the hope of making a profit from their investment in the future, investors could evaluate the prospects of the corporation they want to enter. After that, investors decide whether the signal is good news or bad news, which could affect share values or corporation valuation (Yuniantoro & Andayani, 2021).

Stock value

Azis (2015), revealed that the value of share values could be observed easily when the market is active or when the market is closed, because it is recorded in the real market. When the market is active, share values will fluctuate rapidly, in fact, share values change continuously every second because they are impactd by the dynamics of supply & demand between sellers & buyers (Darmadji & Fakhrudin, 2012). corporation micro & macro factors have a significouldt role in determining changes in share values (Fahmi, 2012).

Various policies implemented by a corporation have the potential to impact market perception & psychology when stock buying & selling transactions occur. The impact on stock values may be negative or not depending on the type of policy taken, such as expansion, sudden changes in leadership structure, legal cases involving management or the board of immediate ors, decline in corporation performance, & involvement in certain controversies.

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***Debt to Equity Ratio* (DER)**

Based to Kasmir (2014), the DER serves as a financial metric employed to assess the correlation between a corporation's debt & equity. This ratio aids in comprehending the proportion of total funding provided by creditors relative to corporation owners. Essentially, it illustrates how much value each unit of Corporate assets serves as security for debt. Thus, Growth in the debt-equity ratio suggests a potential decrease in dividends to shareholders since a portion of profits is allocated towards debt repayment. Conversely, a decrease in the DER could lead to an escalation in distributed dividends as the proportion of profits utilised for debt repayment diminishes.

In Puspita's (2017) study, an examination was performed to assess the connection between liquidity, profits, debt load, & market ratios concerning dividend policy. The research, encompassing 13 corporations, revealed that leverage, quantified through the DER affects profit sharing policy. The conclusion was drawn from the t-test table's hypothesis testing results, wherein the relevance value for the debt to equity ratio stood at 0.000, suggesting a relevance level below 0.05. Consequently, it demonstrates that the DER exerts a noteworthy impact on share of profits policy.

H_1: DER has impact on the DPR

Darsono & Ashari (2010) propose that the assessment regarding a corporation's capability to to settle debts upon liquidation could be accomplished through the DER. Consequently, DER falls alongside in the category of leverage or solvency ratios, which gauge the extent to which a corporation depends on debt in its financial framework. Additionally, DER serves as an indicator of lending confidence, revealing whether an augmentation in debt would yield favourable outcomes for the corporation's profitability.

Consequently, an elevation in this ratio would persuade lenders that using loans will enhance the corporation's future profitability (Pramesti et al., 2016). Investing in stocks entails considerable risk owing to unpredictable value fluctuations. As the DER escalates, the uncertainty assumed by investors also heightens. This circumstance could diminish investors' inclination to allocate their capital to firms exhibiting high DER or substantial escalations in debt (Devi & Artini, 2019). The waning investment interest stemming from heightened DER leads to a decrease in demand while supply remains steady, resulting in a downturn in corporation stock values (Johan & Septariani, 2017).

H_2: DER impacts share values

***Total Asset Turnover* (TATO)**

As per Kasmir (2012), the DER serves like a metric utilised in financial analysis to suggest the level of security accessible to creditors. DER reflects the corporation's capacity to meet its liabilities by illustrating the proportion of its own capital utilised for debt repayment. If a corporation enhances its efficiency in using total assets to generate revenue, this could lead to amplified revenues & profits. alongside escalated revenues & profits, the corporation might feel more at ease in disbursing larger dividends to shareholders, as it possesses greater resources. Consequently, there could be an uptick in Dividend Payout Ratio (DPR) due to the corporation's improved financial capability to distribute profits to shareholders. Conversely, the opposite scenario holds true as well.

According to Nugroho & Witjaksono (2011), an escalation in the action ratio, as measured by TATO, corresponds to higher dividends received by investors. Their research suggests that TATO has a noteworthy positive outcome on the DPR. It corresponds alongside

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the findings of Purwanti & Sawitri (2010), who similarly concluded that TATO impactfully & positively impacts DPR.

H$_3$: TATO has impact on the DPR

Broadly speaking, a rise in TATO shows that the corporation is becoming more adept at leveraging its total resources to generate revenue. Improved operational efficiency could signify enhanced performance & growth potential for the corporation, potentially boosting investor confidence. corporations alongside elevated TATO levels may be perceived by investors as promising prospects, fostering expectations of improved financial performance ahead. This heightened anticipation could drive up demand for the corporation's shares, subsequently elevating share values. Conversely, the opposite trend may occur in the event of a decline.

Research (Nur'aidawati, 2018), (Novitasari & Herlambang, 2015) & (Anjayagni et al., 2018) stated that the TATO ratio had a positive & inimpactful outcome. Produce the following conclusions

H$_4$: TATO impacts share values

Current Ratio (CR)

Hery (2018) states that the current ratio serves as a tool for evaluating a corporation's capacity to fulfil its short-term obligations, which are impending & will soon mature, by considering the entirety of available current resources. In essence, the CR portrays the proportion of available current resources relative to total current liabilities. A high current ratio suggests that the corporation possesses ample liquidity to settle its short-term liabilities.

Adequate liquidity allows a corporation to confidently distribute dividends to shareholders, free from concerns about insufficient funds for daily operational requirements. Consequently, an uptick in the CR might correlate alongside an escalation in DPR since the corporation possesses greater resources earmarked for dividend disbursements. This assertion finds support in the findings of studies performed by Maulida & Azhari (2014) & Setyanusa & Rosmawati (2013), which affirm that the CR exerts a positive & substantial impact on cash dividends.

H$_5$: CR gives impact to the DPR

A high CR suggests that the corporation possesses ample liquidity to fulfil its short-term obligations. This robust liquidity position instils confidence among shareholders, assuring them that the corporation could navigate short-term financial hurdles without encountering difficulties. Shareholders typically attribute higher value to corporations alongside strong liquidity, potentially driving up shareholders interest & consequently augmenting demand for the corporation's shares. This heightened demand could, in turn, positively impact share values.

A previous study performed by Nurhadayani & Nurismalatri (2022) proved that CR has an impactful impact on share values.

H$_6$: CR has an impact on share values

Earnings Per Share (EPS)

According to Eduardus Tandelilin (2017), EPS refers to the information that delineates the portion of a corporation's net profit available for distribution among all its shareholders. Dianti & Badjra (2016) performed a study encompassing a sample of 16 corporations to explore the correlation between EPS & dividend policy. Their findings suggest a relationship

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between EPS & dividend policy, suggesting that a growth in EPS leads to a higher distribution of dividends by the corporation. As EPS value rises, the dividends allocated to shareholders also escalate. This aligns alongside earlier research by Masry, Sakr, & Amer (2018), which concludes that earnings per share impactfully impact DPR.

H_7: EPS has impact on the DPR

Dewi & Suaryana (2013) assert that EPS serves as a profitability gauge, offering investors insight into potential profits. Typically, elevated EPS correlates alongside higher share values, as investors often prioritise EPS when making investment decisions. High EPS tends to drive up a corporation's share value, thereby attracting investors to inject capital. This is because EPS could impact the magnitude of profits distributed by the corporation.

Devi & T.'s (2015) study delves into the interconnection between EPS, share values, & the role of dividend policy. The research endeavours to scrutinise the outcomes of value-to-book value, EPS, & debt-to-equity ratio on stock values. Their findings unveil an indirect relationship between EPS & share values mediated by dividend policy. Interestingly, the study highlights that the strength of this indirect impact surpasses that of the immediate impact.

H_8: EPS has an impact on share values

Dividend Payout Ratio (DPR)

Eduardus Tandelilin (2017) defines the DPR as the proportion of a corporation's net profit earmarked for distribution among all its shareholders. Moreover, dividend policy represents the strategic decision-making process within a corporation regarding the allocation of profits for distribution as dividends or retention as retained earnings. It underscores the relevance of dividend policy as a vital element in investment decisions. This suggests that corporations must distribute dividends to fulfil the expectations of investors & achieve desired outcomes.

Research performed by Sha (2015) titled "The impact of Dividend Policy, Liquidity, Net Profit Margin, Return on Equity, & value to Book Value on Stock values" yielded a positive conclusion regarding dividend policy. Through statistical analysis, the study revealed a relevance value of 0.000 for dividend policy, signifying a substantial impact on share values. This outcome suggests promising future prospects for the corporation as it demonstrates the ability to consistently distribute dividends to shareholders, as evidenced by the relevance value falling below 0.05.

H_9: The DPR has an impact on share values

The outcome of DER on share values alongside DPR as a mediating variable

As stated by Syamsuddin (2012:53), honouring interest payments to creditors takes precedence over distributing profits to shareholders, known as the dividend payout ratio. Given this higher priority obligation, it could lead to a decrease in dividends allocated to investors. When making investment decisions, investors typically weigh both capital gains & dividends. Therefore, if the dividend payout ratio decreases due to an escalation in the Debt to Equity Ratio (DER), investors' inclination to invest in the corporation diminishes, subsequently contributing to a decline in share values (Sari &Kennedy, 2017).

H_{10}: DPR could mediate the impact of DER on share values

The outcome of TATO on share values alongside DPR as a mediating variable

A high TATO signifies the corporation's adeptness in using its assets to generate income efficiently. Enhanced operational performance, driven by high TATO, could result in escalated net profits for the corporation. alongside improved profits stemming from

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commendable operational performance, corporations have more flexibility in capital allocation. One feasible approach to profit allocation is through dividend disbursements to shareholders. The Dividend Payout Ratio (DPR) delineates the proportion of profits distributed as dividends relative to the net profit generated by the corporation.

Investors often interpret dividend policy as a signal of management's confidence in corporation performance. If a corporation escalates dividend payments in response to good operational performance, this may escalate investor confidence & consequently, may lead to an escalation in share value. DPR acts as a mediator between TATO & share values. High TATO escalates profits, which in turn escalates DPR because the corporation has more profits available to share alongside shareholders. An escalation in DPR could then positively impact share values through the outcomes of investor confidence & perceptions of corporation value.

Hardi, Jumadi, & Tangngisasu (2023), in their research, explain that the DPR could mediate the impact of TATO on share values.

H_{11}: The DPR could mediate the impact of TATO on share values

The outcome of CR on share values alongside DPR as a mediating variable

The Current Ratio (CR) gauges a corporation's capacity to fulfil its short-term obligations using current assets. A high CR suggests that the corporation possesses more current assets than its short-term liabilities, signifying financial stability. Conversely, a low CR may serve as a suggestion of potential liquidity issues. A corporation alongside a high CR enjoys greater flexibility in paying dividends to shareholders, as it holds more assets available to meet its short-term obligations.

Therefore, firms alongside high CR may tend to have higher DPR. Investors view corporations positively that have high financial stability (suggested by a high CR) & a tendency to pay stable dividends (suggested by a high DPR). This could escalate investor confidence in the corporation's performance & prospects, which in turn could impact share values.

Fatma & Sakti (2016), in their research, explain that the DPR could have an impact on share values.

H_{12}: The DPR could mediate the impact of CR on share values

The outcome of EPS on share values alongside DPR as a mediating variable

Martono & Harjito (2014) underscore the importance of discerning whether corporation profits will be reinvested as retained earnings for future capital ventures or disbursed as dividends to shareholders. This highlights that corporation profits serve as a benchmark for determining the dividend amount. The Dividend Payout Ratio (DPR), calculated as the ratio of dividends to corporation profits, emerges as a pertinent indicator in stock investment, as investors anticipate returns primarily through dividends (Rosidah et al., 2018). Stevan (2017) elucidates that a higher dividend payout ratio entails a greater proportion of dividends disbursed to shareholders from the corporation's net profit. This represents a hopeful prospect for investors & may bolster demand for corporation shares, consequently elevating share values.

Andayani & Yuantoro (2021) in their research proves that DPR could mediate the impact of EPS on share values.

H_{13}: DPR could mediate the impact of EPS on share values

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2. RESEARCH METHODOLOGY

Research Model

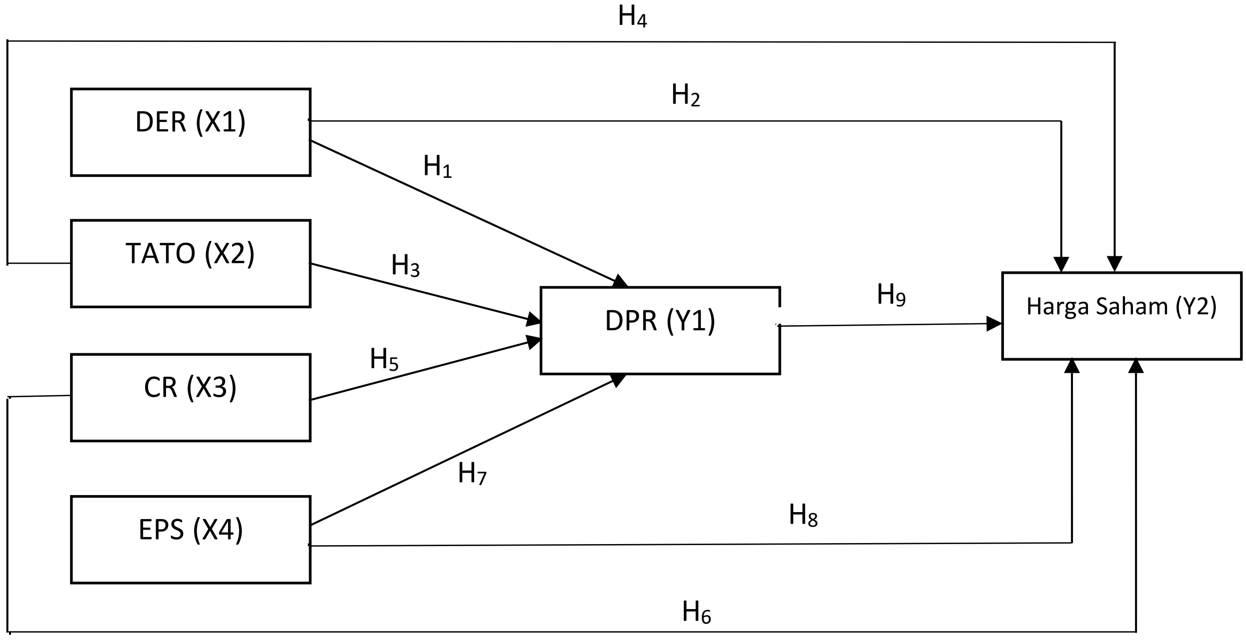

Figure 1. Research Model

Research methods

The research population comprises corporations within the industrial sector listed on the Indonesia Stock Exchange (BEI) from 2020 to 2022. A purposive sampling technique was employed to select a total of 37 samples, alongside the requirement that these corporations operate within the industrial sector & have published annual financial reports. Data collection for the research was performed through documentation, obtained from the official website of the Indonesia Stock Exchange (BEI) at www.idx.co.id.

The variables used in this research are:

Dependent Variable

***Debt to Equity Ratio* (DER)**

DER is used to assess the extent to which corporations could utilise their resources to generate profits from the capital they own (Fahmi, 2016).

$$DER = \frac{Total\ Debt}{Equity}$$

Total Asset Turnover (TATO)

TATO represents the efficiency of invested capital in generating income or the effectiveness of funds associated alongside total assets in circulating within a specified timeframe (Sujarweni, 2017).

$$TATO = \frac{Sale}{Total\ assets}$$

***Current Ratio* (CR)**

CR serves as a measure to evaluate a corporation's liquidity prowess. It is computed by dividing the corporation's total current assets by its total current liabilities (Kasmir, 2018).

$$CR = \frac{Current\ asset}{Current\ debt}$$

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Earning Per Share (EPS)

EPS is a measure utilised to evaluate the portion of a corporation's net profit attributable to each outstanding share (Sukamulja, 2019).

$$EPS = \frac{Net\ profit}{Outst\&ing\ Shares}$$

Independent Variable

Stock value

The share value denotes the worth of a share traded in the stock exchange market at a particular moment, dictated by market participants' assessments reliant on the supply & demand dynamics of the respective share in the capital market (Jogiyanto, 2013).

Mediation Variables

Dividend Payout Ratio

DPR is a metric that contrasts the dividends disbursed by a corporation within a single financial year, divided by the corporation's net income in that same financial year (Divina & Ivonne, 2016).

$$DPR = \frac{Dividen\ Per\ Share\ (DPS)}{Earning\ Per\ Share}$$

Analysis Method

This hypothesis testing was carried out to examine the impact of DER, TATO, CR & EPS on Stock values alongside DPR as a mediating variable. The data analysis method in this research involves the use of classical assumption tests & statistical tests. Classic assumption tests include checks for normality, multicollinearity, autocorrelation, heteroscedasticity & linearity. Meanwhile, statistical tests include path analysis, multiple correlation analysis, coefficient of determination, simultaneous test (F-test), & partial test (t-test). The purpose of testing this hypothesis is to assess the impact of the independent variable on the dependent variable either partially or simultaneously, as well as to determine the extent to which the independent variable is able to explain the dependent variable. Data was processed using SPSS 23 software. The structural equation for path analysis is as follows:

Equation 1 (immediate impact):
Y1 = α + β1X1 + β2X2 + β3X3 + β4X4 + e
Equation 2 (Inimmediate impact):
Y2 = α + β1X1 + β2X2 + β3X3 + β4X4 + β1β2β3β4Y1+e

Information:
Y1 = DPR
Y2 = Stock value
α = Constanta
β1 = Regression coefficient of DER
β2 = Regression coefficient of TATO
β3 = Regression coefficient of CR
β4 = Regression coefficient of EPS
X1 = DER
X2 = TATO
X3 = CR
X3 = EPS

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e = *error term* / confounding variables

3. RESULTS & DISCUSSION

In testing, not all data meets the assumption test requirements. Therefore, the data needs to be transformed so that it could be normally distributed & all assumptions in the classical assumption test could be met (Ghozali, 2018). In this research, data on the independent & dependent variables were converted into natural logarithms (ln). After transforming the data into natural logarithm (ln) form, all data met classical assumption tests, including normality, multicollinearity, autocorrelation, heteroscedasticity & linearity tests. Here are the results:

Hypothesis testing:

Table 1. Path Test & t Test Results for Equation 1

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.277	2.685		.848	.399
	LN_DER	-1.181	.997	-.179	-1.185	.240
	LN_TATO	.084	.098	.150	.848	.399
	LN_CR	-.124	.117	-.188	-1.054	.296
	LN_EPS	-.125	.092	.201	1.360	.179
a. Dependent Variable: LN_DPR						

Source: Processed Data (2024)

Based on Table 1, the regression equation could be formulated as follows:

$Y1 = 2{,}277 - 1{,}181\ X_1 + 0{,}084\ X_2 - 0{,}124\ X_3 - 0{,}125\ X_4$

Information:

X1=DER

X2=TATO

X3=CR

X4=EPS

Y1=DPR

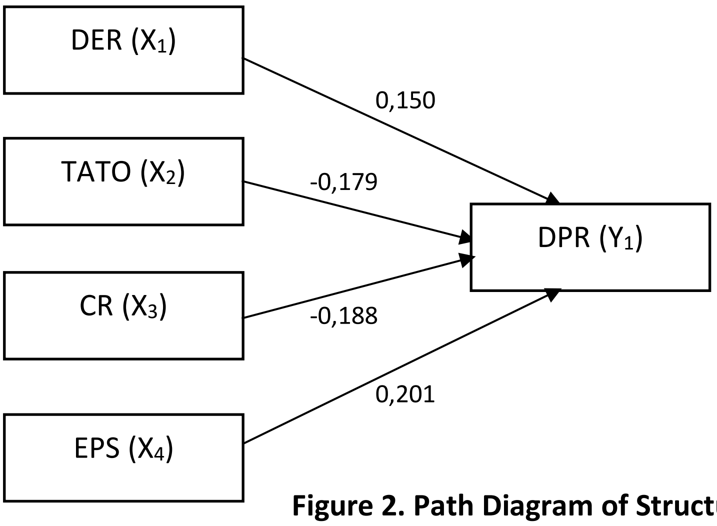

Figure 2. Path Diagram of Structure Model 1

Table 2. Path Test & t Test Results for Equation 2

Coefficients[a]

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Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-10.596	4.760		-2.226	.030
	LN_DER	6.224	1.773	.455	3.511	.001
	LN_TATO	.789	.165	.707	4.786	.000
	LN_CR	.471	.179	-.355	-2.393	.020
	LN_EPS	.062	.162	.050	.386	.701
	LN_DPR	-.331	-.206	-.164	-1.603	.114
a. Dependent Variable: LN_Harga Saham						

Source: Processed Data (2024)

Based on Table 2, the regression equation can be formulated as follows:

$Y2 = -10.596 + 6.224X1\ X_1 + 0{,}789\ X_2 + 0{,}165\ X_3 + 0{,}062\ X_4 – 0{,}331\ Y_1$

Information:

X1=DER

X2=TATO

X3=CR

X4=EPS

Y1=DPR

Y2= Stock value

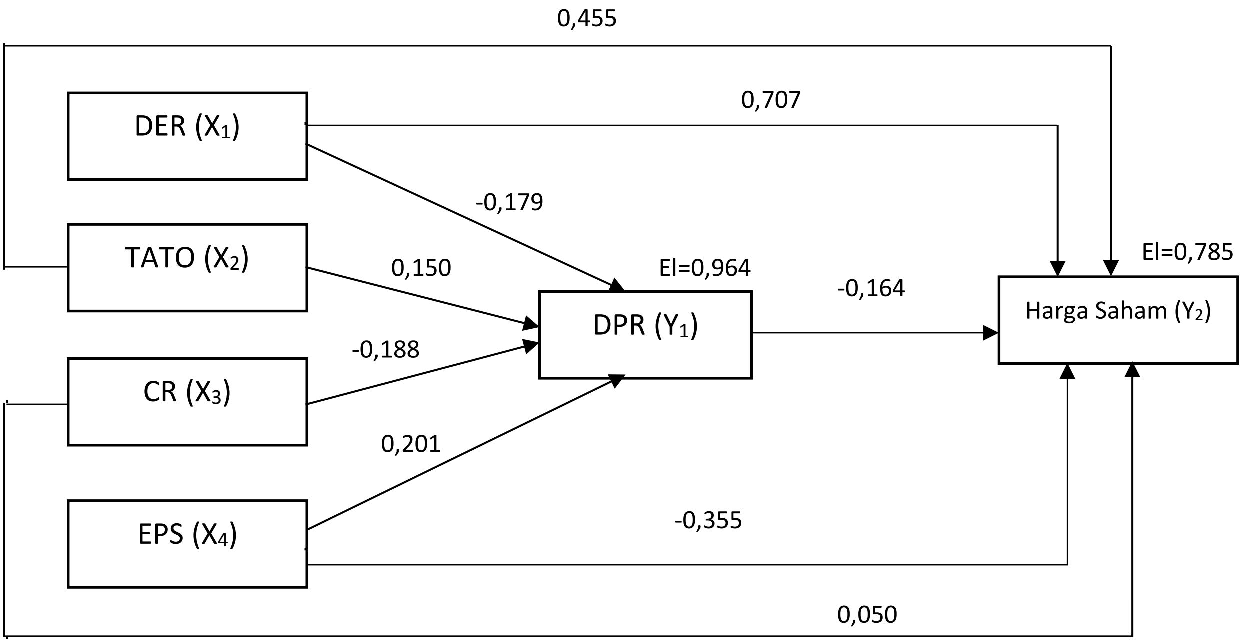

Figure 3. Path Diagram of Structure Model 2

Hypothesis One: outcome of DER on DPR

In Table 1, the results of hypothesis testing reveal that the regression coefficient value for DER is -1.181, alongside a relevance level of 0.240, which is greater than 0.05. Therefore, the hypothesis is rejected, suggesting that DER has no impact on the DPR. corporations alongside high DER face limited liquidity as they need to fulfil their debt obligations. Consequently, the corporation must allocate more funds for long-term operations & investments, thereby reducing the amount available for dividend payments. This finding aligns alongside the research by Widhiastuti & Laurensha (2022), suggesting that the Debt to Equity Ratio (DER) does not impact the Dividend Payout Ratio (DPR).

Hypothesis Two: outcome of DER on Stock values

In Table 2, the results of hypothesis testing suggest that the regression coefficient value for DER is 6.224, alongside a relevance level of 0.001, which is less than 0.05. Therefore, hypothesis two is accepted, suggesting that DER does have an impact on stock values. A corporation's capital structure, including DER, could serve as a signal to investors regarding the corporation's financial policies & management's confidence in handling risk & fostering growth. corporations alongside well-maintained & controlled DERs may be perceived as more stable & better equipped to navigate financial crises, thereby enhancing investor confidence & positively impacting share values. This finding is consistent alongside the research performed by Minara, Merawati & Astuti (2018) & Herwin (2018), which also assert that DER impacts share values.

Hypothesis Three: The outcome of TATO on the DPR

In Table 1, the results of hypothesis testing reveal that the regression coefficient value for TATO is -0.124, alongside a relevance level of 0.296, which exceeds 0.05. Consequently, hypothesis three is rejected, suggesting that TATO has no outcome on the DPR. corporations may adopt varied strategies & priorities in utilising generated profits. Some corporations might prioritise reinvesting profits for growth & expansion, while others may focus more on distributing dividends to shareholders. This policy may not necessarily correlate alongside the corporation's operational performance as suggested by TATO. This finding is consistent alongside the research performed by Meran & Pangestuti (2020), which demonstrates that TATO does not impact the DPR.

Hypothesis Four: The outcome of TATO on Stock values

In Table 2, the results of hypothesis testing suggest that the regression coefficient value for TATO is 0.789, alongside a relevance level of 0.000, which is less than 0.05. Therefore, hypothesis four is accepted, suggesting that TATO does have an outcome on stock values. A high TATO could signify the corporation's strong growth potential in the future. Investors often seek corporations alongside promising growth prospects because they could yield higher profits in the long term. Consequently, corporations alongside high TATO may attract investor interest, leading to escalated demand for their shares & ultimately driving up share values. This finding is corroborated by previous research performed by Natalia et al. (2021), which establishes that TATO impacts share values.

Hypothesis Five: outcome of CR on DPR

In Table 1, the results of hypothesis testing reveal that the regression coefficient value for CR is -0.124, alongside a relevance level of 0.296, which exceeds 0.05. Consequently, hypothesis five is rejected, suggesting that CR has no outcome on the DPR. The decision to distribute dividends to shareholders is impacted by various factors, including corporation policy, investment plans, projected future profits, & management preferences. While liquidity, as reflected in the CR, could impact a corporation's short-term dividend-paying ability, dividend decisions are more likely to be impacted by long-term & strategic considerations rather than short-term financial conditions. Consistent alongside previous research by Herwin (2018), which demonstrates that CR has no outcome on the DPR.

Hypothesis Six: Effect of CR on Stock Prices

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In Table 2, the results of hypothesis testing reveal that the regression coefficient value for CR is -0.471, alongside a relevance level of 0.020, which is less than 0.05. Therefore, hypothesis six is accepted, suggesting that CR does have an outcome on stock values. A high CR could signal positive risk management & corporate governance to investors. Investors often perceive corporations alongside a well-balanced financial structure & strong financial health as safer & potentially profitable investments, which could lead to escalated demand for their shares &, consequently, higher share values. This finding is consistent alongside research performed by Nurhandayani & Nurismalatri (2022), which demonstrates that CR impacts share values.

Hypothesis Seven: outcome of EPS on DPR

In Table 1, the results of hypothesis testing suggest that the regression coefficient value for TATO is 0.125, alongside a relevance level of 0.179, which exceeds 0.05. Therefore, hypothesis seven is rejected, suggesting that TATO has no impact on the DPR. corporations in a growth phase may opt to allocate their profits towards investments aimed at enhancing the corporation's future value, rather than distributing dividends to shareholders. In such cases, high EPS does not necessarily translate to high DPR. This finding is consistent alongside previous research performed by Simbolon & Sampurno (2017), which demonstrates that EPS does not affect the DPR.

Hypothesis Eight: outcome of EPS on Stock values

In Table 2, the results of hypothesis testing reveal that the regression coefficient value for EPS is 0.062, alongside a relevance level of 0.701, which is greater than 0.05. Therefore, hypothesis eight is rejected, suggesting that EPS has no impact on stock values. EPS could be impacted by internal factors such as the corporation's capital structure & financial policies chosen by management. For instance, a corporation that opts to finance growth through debt may experience higher EPS in the short term but may also entail higher long-term risks. This may prompt investors to assess the value of these shares more cautiously. This finding is consistent alongside research performed by Labiba, A., Rasmini, M., & Kostini N. (2021), which asserts that EPS does not impact share values.

Hypothesis Nine: The impact of DPR on Stock values

In Table 2, the results of hypothesis testing reveal that the regression coefficient value for DPR is 0.062, alongside a relevance level of 0.114, which is greater than 0.05. Therefore, the Ninth hypothesis is rejected, indicating that DPR has no impact on stock values. corporations in the growth phase may opt to retain their profits for purposes such as new product development, market expansion, or acquisitions, which could result in a reduction of their DPR. Conversely, mature or stable corporations may adopt a more generous dividend policy. The impact of the corporation's life cycle could render the relationship between DPR & share values indirect or inconsistent. This finding aligns alongside research performed by Girsang, et al (2019), which concluded that DPR does not affect share values.

Impact of the dependent variable on the independent variable alongside Return On Equity (ROE) as the Intervening Variable.

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Table 3. immediate & Indirect impact of Variables

impact Between Variables	immediate impact	Indirect impact Through the DPR	Total impact
DER - DPR	-0,179	-	-0,179
TATO – DPR	0,150	-	0,150
CR – DPR	-0,188	-	-0,188
EPS – DPR	0,201	-	0,201
DER – Harga Saham	0,455	-0,179 x (-0,164)	0,029356
TATO – Harga Saham	0,707	0,150 x (-0,164)	-0,0246
CR – Harga Saham	-0,355	-0,188 x (-0,164)	0,030832
EPS- Harga Saham	0,050	0,201 x (-0,164)	-0,032964
DPR – Harga Saham	-0,164	-	-0,164

Source: Processed Data (2024)

Hypothesis Ten: The outcome of DER on Stock values Through DPR

Based on Table 3, the path coefficient value for the immediate impact of DER on stock values is 0.455, while the coefficient value for the indirect impact of DER through the DPR on stock values is 0.029356. The immediate impact is greater than the indirect impact (0.455 > 0.029356), suggesting that the DPR could not mediate DER on share values.

The availability & comprehension of information regarding DER & dividend policy may not always be straightforward for investors. Consequently, DPR may not consistently mediate the impact of DER on stock values due to potential gaps in investors' understanding of how DER impacts dividend payment decisions. Additionally, investors consider various aspects of a corporation's financial health beyond just dividend payments. While DER offers insights into a corporation's debt levels, factors such as profitability, liquidity, & earnings growth also impact investors' evaluations of a corporation's overall financial well-being.

Hypothesis Eleven: The outcome of TATO on Stock values Through DPR

Based on Table 3, the coefficient value for the immediate impact of TATO on stock values is -0.355, while the coefficient value for the indirect impact of TATO through DPR on share values is -0.0246. The immediate impact is greater than the indirect impact (-0.355 > -0.0246), suggesting that the DPR could not mediate TATO on share values. Dividend payment decisions are typically impacted by long-term investment factors such as growth plans, product development, & market expansion. While TATO could offer insights into a corporation's operational efficiency, dividend payment determinations typically encompass broader considerations beyond just operational efficiency. Therefore, the impact of TATO on share values is more immediate & not impactfully mediated by DPR.

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Hypothesis Twelve: The outcome of CR on Stock values Through DPR

Based on Table 3, the path coefficient value for the immediate impact of CR on stock values is 0.050, while the path coefficient value for the indirect impact of CR through DPR on stock values is 0.030832. The immediate impact is greater than the indirect impact (0.050 > 0.030832), suggesting that the DPR could not mediate CR on share values. Investors take into account various factors beyond just dividend policy when evaluating a corporation's value, including its overall financial performance, growth prospects, & other relevant considerations. While liquidity, as reflected in CR, may impact dividend payment decisions, it is not necessarily the sole determinant for investors when assessing share values. Therefore, the impact of CR on share values appears to be more immediate & not impactfully mediated by DPR.

Hypothesis Thirteen: The outcome of EPS on Share values Through DPR

Based on Table 3, the path coefficient value for the immediate impact of EPS on share values is 0.707, while the coefficient value for the indirect impact of EPS through DPR on share values is -0.032964. The immediate outcome is greater than the indirect outcome (0.707 > -0.032964), suggesting that DPR could not mediate EPS on share values. Differences in access to & understanding of information about dividend policy & corporation performance among investors could lead to variations in perceptions regarding how corporation profits & dividends should impact share values. Consequently, DPR may not effectively mediate the relationship between EPS & share values due to these differences in investor perspectives.

4. CONCLUSION

The conclusions drawn from this research are as follows:

1. The hypothesis regarding DER's impact on the DPR is rejected. corporations alongside high DER face limited liquidity as they prioritise paying off debt obligations, thereby reducing available funds for dividend payments.
2. Hypothesis two is accepted, suggesting that DER does impact stock values. A corporation's capital structure, including DER, signals financial policies & management's risk management & growth capabilities.
3. Hypothesis three is rejected, suggesting that TATO has no outcome on the DPR. corporations may prioritise different strategies, including reinvesting profits for growth & expansion.
4. Hypothesis four is accepted, suggesting that TATO does impact stock values. A high TATO reflects a corporation's growth potential, which could positively impact stock values.
5. Hypothesis five is rejected, suggesting that CR has no outcome on the DPR. Dividend payment decisions are impacted by various factors beyond just liquidity.
6. Hypothesis six is accepted, suggesting that CR does impact stock values. A high CR signals good risk management & corporate governance, which could positively affect stock values.
7. Hypothesis seven is rejected, suggesting that EPS has no impact on the DPR. corporations in growth phases may prioritise reinvesting profits rather than paying dividends.
8. Hypothesis eight is rejected, suggesting that EPS does not impact share values. EPS could be impacted by internal factors & may not immediately impact share values.

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9. Hypothesis Nine is rejected, suggesting that DPR has no impact on share values. corporations in growth phases may prioritise reinvesting profits, reducing their DPR.
10. DPR could not mediate the impact of DER, TATO, CR, & EPS on share values. Other variables may mediate or explain their impact on share values.
11. The results of this research provide guidance for investors & corporations considering share offerings (IPOs), highlighting key performance factors such as DER, TATO, & CR in evaluating share values to mitigate investment risks.

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