

Analysis of Performance Company : Based on Value Added and Financial Statement

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Abstract. This research is the concept of proving the function and / or important factors analytically and experimentally. This study aims to analyze investment decisions as measured by stock prices with performance measures as the independent variable. Company performance measures measured through economic value added (EVA), market value added (MVA), Return on Equity (ROE), and Earning Per Share (EPS). The research method used is quantitative research and the sample of this study is an investor index company listed on the Indonesia Stock Exchange (BEI) in 2015 - 2018. The method of analysis used is multiple regression test. The results of this study indicate that EVA and MVA have no effect on stock prices, while ROE and EPS have an effect on stock prices. So it can be denied that investors in Indonesia, company investors 33, look at the figures shown in historical financial reports more than they look at the residual income.

Keywords: EVA; MVA; ROE; EPS; Stock Prices.

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INTRODUCTION

Apart from being influenced by the law of supply and demand, company performance also determines the level of stock prices in the capital market. (Rahmawati & Handayani, 2017) said the stock price reflects an investor's collective assessment of a company's current performance and future prospects. When the market is more optimistic about companies, high prices make it easier for companies to raise capital, so share prices play a major role in capital allocation in the market economy, directing capital to companies and applications with the greatest perceived potential

It is difficult to pinpoint that only one or two factors influence the share price, but the company's performance factors can determine the change in share prices. The company's performance itself can be measured based on value base management and accounting profit. (Al-awawdeh & Kareem, 2018) said that company performance based on value base management has an important role in

maximizing shareholder value, because it contains important information and signals for shareholders and investors in the financial market, and therefore is directly reflected in share prices. While performance is based on accounting profit, in its operations it uses historical financial data and is easy to measure.

The concept of performance based on Value Based Management (VBM) can be measured through Economic Value Added (EVA) and Market Value Added (MVA). (Haddad, 2012) in his research said that the higher the EVA shows that the company is able to create added value. This in turn will increase the company's attractiveness to investors. The increased attractiveness of the company makes the company more attractive to investors, and will have an impact on the share price that will increase. (Sharma *et al*, 2010) said that EVA is now recognized as an important tool for performance measurement and management worldwide, especially in developed countries by adopting it as a corporate strategy and there is still much

evidence about the advantages of EVA over traditional performance measurement tools.

(Sabol & Sverer, 2017) examined EVA as a financial performance measure that emphasizes the maximization of shareholder value, the results are obtained not only maximizing net income, EVA is also one of the most widely used and accepted measures of overall company performance, gaining more popularity. when combined with strategic (financial) management ideas.

Furthermore (Silitonga *et al*, 2019) said that an increase in company performance, especially the company's financial performance, can increase market appreciation or share prices, if the share price increases, the MVA value in the company will also increase. This is because stock prices are a component of the company's MVA. (Aisyana & Sun, 2012) continued that MVA is not only used to assess the performance of a company, because this concept is not only able to know the added value of investing capital but also to assess how managers are performing. By comparing the market value of a company with equity capital, users can find out whether the company's managers have allocated their resources efficiently so that they can provide economic benefits, so that good performance will make a high MVA.

The study of the relationship between Return on Equity (ROE) and Earning Per Share (EPS) with stock returns is often described as a significant relationship. ROE and EPS can measure management effectiveness as indicated by the profits generated from the sale and investment of the company and are often used by investors on the stock exchange to measure the level of investment returns when they buy these shares. So that it often becomes an investor's guide in choosing a company that certainly has an effect on share prices. Referring to the signaling theory, Investors were expected to response positively to the information content in the form of investment in the company. (Salamat & Mustafa, 2016 ; Utami *et al*, 2015 ; Anwaar, 2016 ; Eliyani & Utami, 2016)

LITERATURE REVIEW

Signaling Theory

According to (Brigham & Houston, 2013) Signal is an action taken by a company to provide guidance to investors about how management views the company's prospects. This signal is in the form of information about what management has done to realize the owner's wishes. Complete, relevant, accurate and timely information is needed by investors in the capital market as an analytical tool for making investment decisions, (Connelly, et al, 2011).

Stock Price

Stock price is one of the factors that can influence investors in making investment decisions. The stock price is a very important factor and must be considered by investors in investing because the stock price shows the performance of the issuer, the movement of share prices is in line with the issuer's performance. If the issuer has a better performance, the profits that can be generated from business operations will be even greater. In such a condition, the share price of the issuer in question tends to increase, (Yustini *et al*, 2018).

This study uses stock prices taken one week after the publication date of the financial statements (that period). According to (Hartono, 2010) published information that affects the price of securities of companies that publish the information. This published information is in the form of an announcement by the issuing company. One of the announcements that can affect the price of securities is announcements related to profit. So that it will influence investors in making decisions to invest

Company performance

Due to changes in the dynamic business environment and increasingly strong competition conditions, it is necessary to have a company performance measurement system that is more integrated between financial and non-financial aspects. That is, to determine a company performance measurement model must have comprehensive and integrated criteria between financial and non-financial aspects and take into account the internal and external aspects (Simbolon, 2015). Then the

thought arises of measuring financial performance based on value (value based) and performance using financial measures, namely the results of financial statements which are embodied in financial ratios, including liquidity, solvency, profitability and other ratios in operations using historical financial data. This measurement can be used as a basis for company management in managing its capital, financing plans, a vehicle for communication with shareholders and can be used as a basis for determining incentives for employees (Mulyadi, 2001).. This study uses company performance measures using Economic Value Added (EVA), Market Value Added (MVA), Return on Equity (ROE) and Earning Per Share (EPS).

Economic Value Added (EVA)

The concept of Economic Value Added (EVA) was first developed by Stern, Stewart & Co (Brigham & Houston, 2013). EVA is an estimate of the actual economic profit of the business for the year. EVA is also one way of measuring the company's operating performance that combines company calculations in order to generate profits without neglecting the interests of the company owners. The economic value of a company can only be achieved financially, where a good company must ensure that customers are satisfied, employees are well cared for, but the point is always profit (Dirman, 2019).

(Sakti, 2015) said that the EVA calculation method can be used in future research in evaluating the efficiency of commercial banks. Because the EVA method aims to measure the investment performance of a company and at the same time pay attention to the interests and expectations of funders, namely creditors and shareholders. EVA reflects the residual income that remains after all costs of capital, including share capital, have been deducted. Meanwhile, accounting profit is calculated without subtracting the cost of capital. EVA provides a better measurement of the added value that the company provides to shareholders (Daengs *et al*, 2017). Machuga *et al*. (2002)

on (Sharma *et al*, 2010) in their study highlighted that EVA can be used to improve predictions of future income.

Market Value Added (MVA)

The main target of almost all companies is to maximize shareholder wealth. According to (Brigham & Houston, 2014) Market Value Added (MVA) is the difference between the market value of a company's equity and book value as presented in the balance sheet. So, MVA is the difference between recorded book value and market value. The higher the MVA value the better the work that management has done for the company's shareholders and the more successful the management's job is to manage the company.

(Ali, 2018) said MVA increases if only the invested capital returns greater than the cost of equity. The bigger the MVA, the better the results. A negative MVA means that the value of the investment carried out by management is less than the capital given to the company by the capital market.

Return on Equity (ROE)

Return on Equity is a measure of the company's ability to generate profits with all assets owned by the company. These assets are all company assets starting from own capital and foreign capital which have been converted into company assets for the survival of the company. This ratio figure is commonly used to measure the company's performance by investors. The increase in return on assets shows how well the assets are managed by the company to bring profit for every dollar of assets that have been invested into the company, (Atidhira & Yustina, 2017)

Earning Per Share (EPS)

Price Earning Ratio (PER) is one of the most basic measures in financial statements for analyzing stocks fundamentally. PER is also the ratio obtained by dividing the market price of a share by earnings per share. (Ghaeli, 2017) said that investors usually link current year's earnings to current prices by using the price-to-profit-per-share ratio for the coming year, this is part of evaluating a company's

capital-to-profit relationship. usually a high P / E ratio implies that investors anticipate higher income growth in the following years, but the fact that a company has a low P / E ratio indicates that the company is performing relatively well compared to its past trends.

Hypothesis

Economic Value Added (EVA) to Stock Prices

The supporters of EVA claim that EVA is highly correlated with stock prices. Lefkowitz (1999) in (Sharma et al, 2010) analyzed US companies and the results of the study support the Stern-Stewart hypothesis, namely, EVA is better correlated with stock returns compared to traditional performance measures. (Costin, 2017) found that EVA is a fairly reliable guide to understanding firm value. Research result (Ikbar & Dewi, 2015) show The EVA level of the majority of companies which always increases from year to year in each company is used by investors to project future share prices, so in this case the company has succeeded in providing a benchmark to what extent the company can provide added value to shareholders in a certain year or period,. (Awan *et al*, 2014) investigated the degree of correlation between different performance measures and stock market returns. The results show that EVA is the measure with the most high correlation with stock prices. So that the following hypothesis can be taken:

H1: EVA has a positive effect on stock prices

Market Value Added (MVA) to Stock Prices

(Ali, 2018) say the MVA increases if only the capital invested the return is greater than the cost of equity. The bigger the MVA, the better the results. A negative MVA means that the value of the investment carried out by management is less than the capital given to the company by the capital market. MVA is the difference between recorded book value and market value. The higher the MVA value the better the work that management has done for the company's shareholders and the more

successful the management's job is to manage the company. (Al-awawdeh & Kareem, 2018) said modern (value-added) performance appraisal measures contain important information and signals for shareholders and investors in financial markets, and therefore are directly reflected in share prices. research (Daengs *et al*, 2017) shows . The high MVA value not only shows that the company has good prospects but can also increase investment in the capital market in the form of stock prices. So that the following hypothesis can be taken:

H2: MVA has a positive effect on stock prices

Return on Equity (ROE) to Stock Prices

ROE is a measure of the company's ability to generate profits with all the assets owned by the company. (Marietta, 2012) said that the higher the ROE, the higher the company's ability to generate profits. The higher the profit generated by the company, the more investors will be interested in the stock value. When the financial statements are high, then the company's stock market price will tend to rise because it is influenced by the stock market value and investors' perceptions about the company so that it will affect the demand and supply of shares in the secondary market, (Pernamasari *et al*, 2020). (Salamat & Mustafa, 2016) resulting in ROE has a positive effect on stock returns. So that the following hypothesis can be taken:

H3: ROE has a positive effect on stock prices

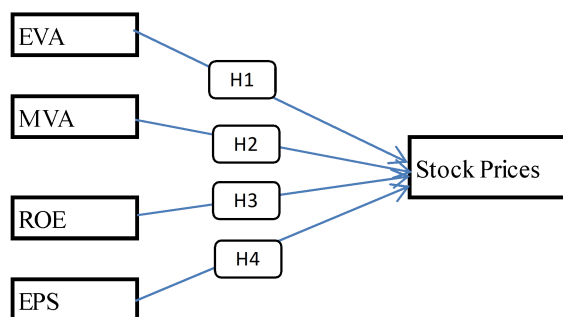
Earning Per Share (EPS) to Share Price

Price Earning Rasio (PER) adalah salah satu ukuran paling mendasar dalam laporan keuangan untuk menganalisis saham secara fundamental, (Ghaeli, 2017). EPS is used by investors to show the net profit per share of a company that is ready to be distributed to shareholders. If the company's EPS is high, more investors will want to buy the shares. (Utami et al, 2015) said that there is a positive relationship between PER and stock returns, because if the company's growth increases, investors are willing to pay a premium share

price. research results (Anwaar, 2016) show that there is a relationship between EPS and stock prices in the capital market. So that the following hypothesis can be taken:

H4: EPS has a positive effect on stock prices

Based on the background and thought frame, a picture frame of thought can be formed as follows:



Picture 1. Framework

RESEARCH METHODS

Research design

The design used in this research is causal research. Causal research aims to determine the effect or relationship between two or more variables (Sugiyono, 2013). The causal research design in this study aims to determine the effect of Economic Value Added, Market Value Added, Return on Equity, and Earning Per Share as independent variables and stock prices as the dependent variable.

The population of this research is companies that are included in the list of investor index 33 on the Indonesia Stock Exchange, with the 2015-2018 observation year. The sampling technique used in this research is purposive sampling method, in which the sample is selected based on the suitability of the characteristics with the criteria (consideration) of the specified sample in order to obtain a representative sample. The sample of this research is 23 companies multiplied by the number of years of observation, so the sample size is 92 data.

Operational Variables

Dependent Variable

The dependent variable or dependent variable is the variable that is affected or that is the result of the independent variable (Sugiyono, 2013). The dependent variable used in this study is the Stock Price (Y).

a. Stock Price (Y)

Stock price used is the closing stock price (close price) of the consumption sector manufacturing company which is taken one week after the date of publication of the financial statements (that period), where the date of publication of the financial statements is obtained from the IDX, (Hartono, 2010).

Independent Variable

Independent variables or independent variables are variables that affect or cause changes or the emergence of the dependent variable (dependent variable) (Sugiyono, 2013). The independent variables used in this study are Economic Value Added, Market Value Added, Return on Equity, and Earning Per Share.

b. Economic Value Added

Economic Value Added is an estimate of the actual economic profit of the business for the year. EVA reflects the residual income that remains after the cost of all capital, including equity capital, has been deducted. According to Mizan (2018) Economic Value Added can be formulated as follows:

$$EVA = NOPAT - Capital Charges$$

1. $NOPAT = \text{profit (loss) of operations} - \text{Tax}$
2. $WACC = \{(D \times rd)(1 - \text{tax}) + (E \times re)\}$
 $Capital Level (D) = \frac{\text{Total Debt}}{\text{Total Debt} + \text{Equity}}$
 $Cost of Debt (rd) = \frac{\text{Interest Expense}}{\text{Total Debt}}$
 $Equity Level (E) = \frac{\text{Total Equity}}{\text{Total Debt} + \text{Equity}}$
 $Cost of Equity (re) = \frac{\text{Net Profit After Tax}}{\text{Total Equity}}$
 $Tax Rate (tax) = \frac{\text{Tax expense}}{\text{Net Profit Before Tax}}$
3. $IC = (\text{total debt} + \text{total equity}) - \text{short term debt}$
4. $Capital Charges = WACC \times Invested Capital$

c. Market Value Added (MVA)

MVA is the difference between the capital invested in the company over time from the loan capital investment and retained earnings and the money that can be taken now. According to Rahmawati & Yunita (2018)

Market Value Added can be formulated as follows:

$$MVA = (\text{outstanding shares} \times \text{share price}) - \text{total equity}$$

d. Return On Equity (ROE)

Return On Equity is a form of profitability ratio to measure the company's ability to generate profits using the total existing equity. Return on Equity can be calculated using the following formula (Kasmir, 2014):

$$ROE = \text{Net Profit After Tax} / \text{Total Equity}$$

e. Earning Per Share

According to Harahap (2013) Earning Per Share or income per share is a ratio that shows how much the ability per share to generate profits. The Earning Per Share ratio is used by investors to show the company's net profit per share that is ready to be distributed to shareholders. The formula used is as follows (Brigham, E. F. & Houston, 2010):

$$\text{Earning Per Share (EPS)} = \text{Net income} / \text{Number of shares outstanding}$$

Analysis Method

The data analysis method in this research is descriptive analysis and verification. Verification analysis in this study used panel data regression analysis (pooled data). The data processing tools in this study used Microsoft Excel and Eviews 10 software. The analysis used was descriptive statistical analysis and panel regression analysis. This panel data can be estimated using three methods, namely the OLS method or the Common Effect Model, the Fixed Effect model and the Random Effect model. Furthermore, the classical assumption test, determinant test, F test, and t test are carried out.

RESULT AND DISCUSSION

Result

Table 1. Descriptif test

	PRICE	EVA	MVA	ROE	EPS
Mean	8388.598	16.47376	30.78208	22.38467	249.7544
Median	3712.500	14.33394	30.76741	15.94500	144.6600
Maximum	45950.00	29.86050	37.65920	142.9000	1364.000
Minimum	268.0000	7.699010	28.38461	4.570000	3.00E-06
Std. Dev.	11092.01	5.703304	1.426468	27.38596	299.1073
Observations	92	92	92	92	92

Processing data Eviews 10

In the table the descriptive test results show the following :

1. Research share price is the closing stock price after 1 week of financial reports of 33 investor companies published on the Indonesia Stock Exchange. The minimum value of 268, namely Pt Sri Rejeki Isman in 2015 and the maximum value of 45950, namely Pt Unilever Tbk in 2017. On average, the share price of 33 investor companies is at the price of 8388,598 meaning this company has a great opportunity for investors to invest. Meanwhile, the stock price that often appears is 3712,500
2. EVA reflects the residual income that remains after all the cost of capital, including capital stock that has been deducted. In

investor companies 33, the minimum EVA value is 7,699, which belongs to Pt Astra International in 2015 and the maximum value is 29,860 Pt Pembangunan Perumahan in 2018. These results show that the 33 companies' Net Operating After Tax is still greater than Capital Charges so that the average value is still in a positive number. EVA can also describe the company's performance.

3. MVA is the difference between the market value of a company's equity and book value as shown in the balance sheet. In investor companies 33, the minimum MVA value is 28,384, which belongs to Pt Perusahaan Pembangunan in 2017 and the maximum value of 37,659, which belongs to Pt Waskita

Karya in 2015. These results show that the difference between the recorded book value and the market value of the 33 investor company is very high, looking at the value. the mean obtained is in a positive number. MVA can also describe the value of the company

4. ROE is a measure of the company's ability to generate profits with all the equity owned by the company, both own capital and foreign capital. In investor companies 33, the minimum ROE value is 4.57 owned by Pt Astra Argo Lestari in 2015 and the maximum value is 142.90 owned by Pt Unilever in 2018. These results indicate that 33 investor companies are on average able to manage the capital owned either from the company or from outside.

5. EPS is the ratio obtained by dividing the market price of a share by earnings per share. In the company investor 33 the minimum EPS value is 0.000003 owned by Pt Tower Bersama in 2018 and the maximum value is 1364 owned by Pt Tiphone Mobile Indonesia in 2016. These results indicate that 33 investor companies have a positive share return on average.

Panel Data Regression Model Selection Test

The model used in this research is panel data regression, to test the model's specificity and the suitability of theories to reality. In this section, we will select which panel data regression model is the best. Is it common effect, fixed effect or random effect. Data processing to choose which model is the most appropriate, the research was conducted electronically using Microsoft Excel 2007 and Eviews 10.0 software. The panel data regression model must be tested to select the appropriate regression model to be used in the study. The regression model testing conducted in this study includes:

a. Common Effect or Fixed Effect model selection

To determine the Fixed Effect or Common Effect model that is most appropriate to use in estimating panel data, a Chow test is performed. The stipulation is that if the probability ≥ 0.05 then H0 is accepted, it means that the common effect model (pool least square) will be used. But if the probability value <0.05 , then H1 is accepted, it means using a fixed effect approach. The results of the Chow test in this study are

Table 2 Chow test

Redundant Fixed Effects Tests
Equation: PRICE
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	34.95271	(22,65)	0.0000
Cross-section Chi-square	234.7654	22	0.0000

Processing data Eviews 10.

The chow test results in the table above show the value of the cross section probability $F = 0.0000 < 0.05$ so that H0 is rejected and H1 is accepted, meaning that the correct fixed effect model is used compared to the common effect to estimate panel data.

b. Random Effect or Fixed Effect model selection

After the chow test is carried out and the results show that the fixed effect model is used, the panel data model must be compared again between the fixed effect and the random effect by using the Hausman test. The Hausman test is used to determine whether a fixed effect model or a random effect model is most appropriate. If the Chi-Square probability $\geq \alpha (0.05)$, then Ho means that the random effect is accepted, if the Chi-Square

probability value $< \alpha$ (0.05), then the fixed effect is accepted. The results of the Hausman test in this study are

:

Table 3 Hausman test

Correlated Random Effects - Hausman Test

Equation: PRICE

Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	4.376517	4	0.3574

Processing data Eviews 10.

From the results of the Hausman test in table 8 above, it can be seen that the probability value is 0.357 or greater than alpha 0.05, meaning that the random effect model is better than the fixed effect.

c. Selection of Random Effect or Common Effect models

Lagrange Multiplier test to choose whether the Common Effect or Random Effect model

is more appropriate to use in the panel data regression equation model. After the calculated LM value is obtained, the calculated LM value is compared with the chi-squared table value with degrees of freedom as many as the number of independent variables (free) and alpha or a significant level of 5%. The following are the results of the Lagrange Multiplier (LM) test:

Table 4. Lagrange Multiplier (LM) Test

Lagrange multiplier (LM) test for panel data

Sample: 2015 2018

Total panel observations: 92

Null (no rand. effect) Alternative	Cross-section One-sided	Period One-sided	Both
Breusch-Pagan	97.05953 (0.0000)	1.942800 (0.1634)	99.00233 (0.0000)
Honda	9.851880 (0.0000)	-1.393844 (0.9183)	5.980735 (0.0000)
King-Wu	9.851880 (0.0000)	-1.393844 (0.9183)	2.105250 (0.0176)
GHM	-- --	-- --	97.05953 (0.0000)

Processing data Eviews 10.

From the test results with the Lagrange Multiplier (LM) test above, it can be seen that the Breusch-Pagan Both value is 0.0000 (< 0.05) meaning that the chosen model is a random effect.

Random Effect Model Approach

The random effect model approach is based on differences between the intercept and the slope as a result of differences between individuals or objects. The following are the results of the random effect model regression in this study:

Table 5. Regresi Model Random Effect

Dependent Variable: PRICE
 Method: Panel EGLS (Cross-section random effects)
 Sample: 2015 2018
 Periods included: 4
 Cross-sections included: 23
 Total panel (balanced) observations: 92
 Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.100656	0.621887	4.985884	0.0000
EVA	-0.019762	0.012607	-1.567601	0.1206
MVA	0.016863	0.019042	0.885582	0.3783
ROE	0.004637	0.001885	2.459566	0.0159
EPS	0.111422	0.032608	3.416991	0.0010

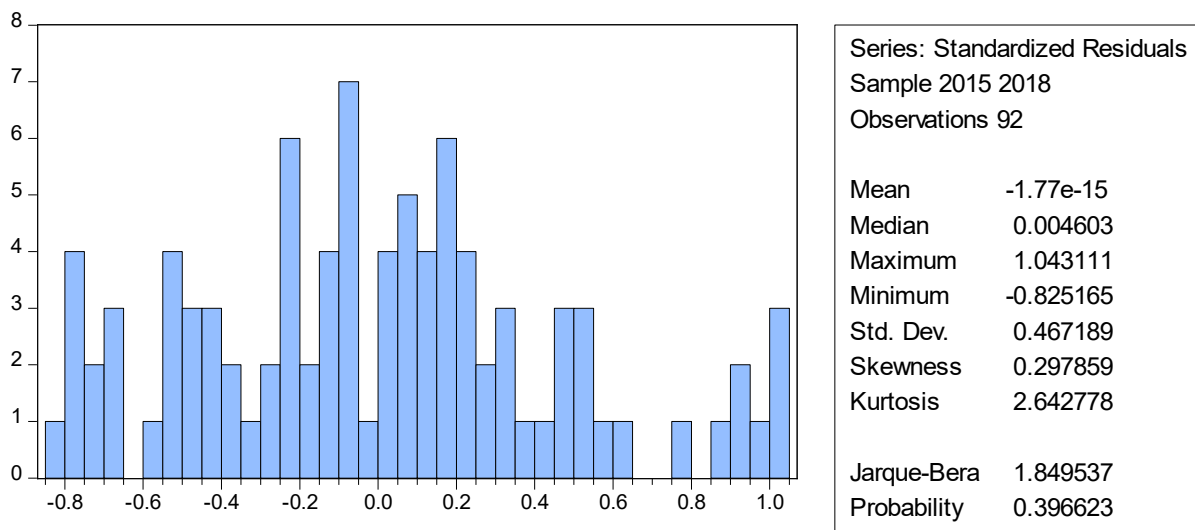
Effects Specification		S.D.	Rho
Cross-section random		0.453580	0.9058
Idiosyncratic random		0.146262	0.0942

Weighted Statistics			
R-squared	0.211101	Mean dependent var	0.571684
Adjusted R-squared	0.174829	S.D. dependent var	0.161360
S.E. of regression	0.146578	Sum squared resid	1.869201
F-statistic	5.820053	Durbin-Watson stat	1.583572
Prob(F-statistic)	0.000338		

Unweighted Statistics			
R-squared	0.309287	Mean dependent var	3.591552
Sum squared resid	19.86216	Durbin-Watson stat	0.149028

Processing data Eviews 10.

Before the regression evaluation is carried out, first the normality test is carried out for the random effect model:



Picture 2 Normality test (Processing data eviews 10)

From the histogram above the JB value is 1.849537, while the Chi Square value by looking at the number of independent variables is 4 independent variables and with a significance of 0.05, the Chi Square value is 9.487, which means that the JB value is smaller than the Chi Square value (1.849537 < 9,487). So it can be concluded that the data in this study are normally distributed.

Evaluation of Regression

a. Determinant Coefficient Test (R²)

This test is conducted to measure the percentage of the total variation in the dependent variable that can be explained by the regression model. This is done to determine good accuracy in the analysis as indicated by the magnitude of the R-squared coefficient of determination. Based on the estimation results of the random effect model, the Rsquared result is 0.211101. Independent variables including EVA, MVA, ROE, EPS are able to explain the dependent variable stock price by 21.11% while the remaining 78.89% is explained by other variables outside the model.

b. Model Feasibility Test (F Test)

The regression results show that the probability value (F- statistic) is equal to 0.000338. The probability value (F-statistic) is smaller than alpha 5% (0.000338 < 0.05) so the model is significant at 5% and rejects Ho. This shows that the feasible model and the variables EVA, MVA, ROE and EPS together have an effect on stock prices.

c. Independent Variable Significance Test (t test).

The t test is a test used to determine the significance or insignificance of an independent variable on the dependent variable individually.

1. Variable EVA Against Stock Price

Based on the table of regression test results, it is obtained that the t value is -1.5676 and the probability level is 0.1206. This means that the EVA variable has no effect on stock prices. this means that **Hypothesis 1 cannot be accepted.**

2. Variable MVA to share price

Based on the table of regression test results, the t value is 0.8855 and the probability level is 0.3783. This means that the MVA variable has no effect on stock prices. this means that **Hypothesis 2 cannot be accepted.**

3. ROE variable on stock prices

Based on the table of regression test results, the t value is 2.4595 and the probability level is 0.0159. This means that the ROE variable has an effect on stock prices. this means that **Hypothesis 3 can be accepted.**

4. EPS Variable on Stock Price

Based on the table of regression test results, it is obtained that the t value is 3.4169 and the probability level is 0.0010. This means that the EPS variable has an effect on stock prices. This means that **Hypothesis 4 can be accepted.**

d. Panel Data Regression Analysis

Panel Data Linear Regression Analysis in this study using the Random Effects method. The selection of the Random Effects method as a method of panel data analysis in this study was previously tested through the Chow test and the Hausman test first, so that finally the Random Effect method is the most appropriate for testing panel data in this study. The regression equation is as follows:

$$\text{Price} = \beta_0 + \beta_1\text{EVA} + \beta_2\text{MVA} + \beta_3\text{ROE} + \beta_4\text{EPS} + \varepsilon$$

$$\text{Price} = 3.1006 - 0.0197 + 0.0168 + 0.0046 + 0.1114$$

From the results of table 6 above, it can be said that if there are no variables that influence it, the stock price is 3,1006. If there is an addition of 1 point from the EVA variable, it will reduce the value of the stock price by 0.0197. Then if there is an addition of 1 point from the MVA variable, it will increase the value of the stock price by 0.0168. Then if there is an addition of 1 point from the ROE variable, it will increase the value of the stock price by 0.0046. Then if there is an addition of 1 point from the EPS variable, it will increase the share price value by 0.1114.

Discussion

1. Effect of EVA on Stock Prices

Hypothesis test results show that the EVA variable has no effect on stock prices, it can be said that the rise and fall of the stock prices of investors 33 companies is not caused by the value of EVA. These results reinforce that the complexity in calculating EVA makes investors in Indonesia still do not see EVA as an indicator and benchmark in determining their investment policy, because calculating EVA requires a lot of data that comes from notes on financial statements, because it is not available directly in the financial statements. . This is of course different from historical financial ratio calculations.

This result is in accordance with the results (Faitullah, 2016), due to the complexity of calculating EVA and different company value added standards in each industry so that EVA does not have an effect on stock prices. In addition, according to (Silitonga et al., 2019) other factors that make EVA not affect stock returns are Indonesia's social, political and economic conditions which continue to fluctuate and tend to become unstable which will increase business risk, as well as the practice of window dressing in financial reports so that investors and creditors do not believe in the reliability of financial statements because they often do not reflect the actual conditions of the company.

2. Effect of MVA on Stock Prices

Hypothesis test results show that the MVA variable has no effect on stock prices, it can be said that the ups and downs of stock prices in investor companies 33 are not caused by the MVA value. These results indicate that investors in Indonesia are more interested in using the informational analysis provided in financial reports and technical analysis to see market price trends, this is because the MVA value is not readily available in financial reports, making it difficult for investors to calculate added value.

This result is of course contrary to the results (Al-awawdeh & Kareem, 2018) which state that modern (value-added) performance

appraisal measures contain important information and signals for shareholders and investors in financial markets, and therefore they are directly reflected in share prices. . However, this result is in line with the research (Gulo & Ermawati, 2011). Investors who invest their capital tend to see in terms of company profitability with the assumption that if profitability is high, it will get high stock returns. Meanwhile, another factor that causes the effect of MVA is the expectation of an increase in inflation which will lead to expectations of an increase in interest rates.

3. Effect of ROE on Stock Prices

The results of the hypothesis test show that the ROE variable has a positive effect on stock prices, it can be said that investors in deciding to buy shares in a company of investors 33 really pay attention to the company's performance in its ability to generate profits from capital, both own capital and foreign capital. In addition, the ROE value stated in the financial statements gives a signal to investors for their decision to buy shares.

These results support signal theory (Brigham, E. F. & Houston, 2013), this information is important for investors and business people because information essentially provides information, notes or images, both for past, present and future conditions for survival. company and how it affects the company. As said (Al Umar & Nur Savitri, 2015) in their research, that is, when an investor invests, he certainly expects a return on what has been invested. This ratio illustrates how well the company is able to return what investors have invested, therefore, the higher the ROE will attract investors and cause an increase in stock prices.

4. The Effect of EPS on Stock Prices

Hypothesis test results show that the EPS variable has a positive effect on stock prices, it can be said that investors in needing to buy stock prices very concerned about earnings per share. This means that the company's EPS can be used as a benchmark in investment analysis and strategy.

This result is in accordance with the signaling theory (Brigham, E. F. & Houston, 2013) which explains that information about the company's financial statements is used by investors as a signal for the company in the future. The signal of change in Earnings per Share (EPS) can be seen from the reaction in stock prices that will make the market react positively. So that investors can use EPS as a consideration in determining the profit of an investment strategy, this is because EPS provides an amount that implicitly shows the capital gain that investors will get if they want to invest their money in companies with high EPS., (Atidhira & Yustina, 2017 ; Faitullah, 2016).

CONCLUSION AND SUGESTION

Conclusion

1. The results of statistical tests show that the concept of performance based on Value Based Management (VBM) as measured by Economic Value Added (EVA) and Market Value Added (MVA) has no effect on stock prices in investor companies 33. This can be due to the complexity of calculations. EVA and MVA as well as company value added standards are different in each industry.
2. The results of statistical tests show the concept of performance based on the company's historical data as measured through Return on Equity and (ROE) and Earning per Share (EPS) have an effect on stock prices in investor companies 33. Investors look more at the numbers printed on the financial statements. historical compared to looking at residual income.

Suggestion

In this study, the stock price seen is the opening stock price 1 week after the financial report is published. For further research, you can use the average stock price 1 week or 2 weeks after the financial statements are published, to see investors' reactions to company performance.

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