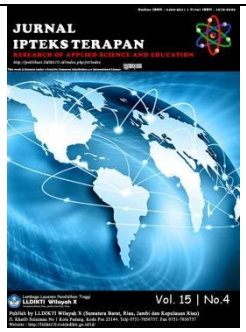

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EFFECT OF ACCOUNTING PROFIT AND CASH FLOW COMPONENTS ON STOCK PRICES

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Abstract

Backgroud : At this time, the Consumer Goods Industrial Estate globally plays an important role in the country's economic growth. Especially in Indonesia . This study has aim to determine the effect of accounting profit, cash flow operating activity, cash flow of investment activities, cash flow funding activities on stock prices in the consumer goods industry company registered in (IDX). The sub-sector selected as a data study is the food and beverage sub-sector in 2018-2020, by having a population of 52 companies and using a purposive sampling technique of 27 companies and years of observation of this study are 3 (three) years and data obtained from www .idx.co.id. **Method :** The data method used is multiple linear analysis. **Result :** The approach carried out in this study was a quantitative and descriptive approach, based on the results of this researcher that accounting profit, cash flow operating activity, cash flow investment activity, cash flow funding activities had a significant effect on stock prices. **Conclusion :** Simultaneous hypothesis gained that accounting profit, cash flow operating activity, cash flow investment activity, cash flow funding activities, had a significant effect on stock prices.

Keywords: Cash Flow Operation Activity, Cash Flow Investment Activity, Cash Flow Funding Activity, Accounting Profit, Stock Price.

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INTRODUCTION

At this time, the Consumer Goods Industrial Estate globally plays an important role in the country's economic growth. Especially in Indonesia, where the consumer goods sector is a major contributor to economic growth. During the current leadership of President Joko Widodo, the material sub-sector of the consumption industry, namely food and beverage factories, cosmetic factories, household needs industry, cigarette factories, increased throughout 2018-2019, namely in 2018 it was recorded at 5.17%, in in 2019 it was recorded at 5.4%. This industrial sector always experiences an increase in every national gross domestic product (GDP). However, in 2020 where the pressure from the Covid-19 pandemic has decreased, the performance of the economic industrial sector decreased to 2.97%. This industrial sector is really involved in the market capacity in the country or in domestic national consumption. Where the period of effort for the purchasing power of the therapeutic people, until the matter violates the minimum market demand, the company or industry will automatically have to make adjustments, including a drastic decrease in utilization.

According to Jogiyanto (2014: 172) states "The stock price that occurs in the capital market at a certain time applied by market participants is determined by the supply and demand for the shares concerned in the capital market. The success of management in managing a company is one indicator of stock prices. Therefore, if the share price of a company rises, investors may decide that the company can do business. In this case, the researcher wants to conclude stock prices from three parts of the cash flow unit which include operating cash flow, investment cash flow, funding cash flow, and accounting profit.

Accounting profit (accounting income) is income after deducting all expenses and reporting in the income account in accordance with applicable financial management provisions. If the economic value, the price of capital, and the scale if there is an exchange, there will be an exchange that is set based on the value of the currency. Another factor affecting the Stock Price is Cash Flow.

Cash Flow (Cash Flow) This is one of the ways to make money in a time that correlates to the industry's responsibility to properly process deposits from operational movements, investments and investments. Cash plays a role in determining the smooth running of the company's activities. The problem that arises in cash flow is that if the amount of expenditure exceeds income, the cash flow becomes unbalanced. Therefore, it can be concluded that an industry needs to have an estimate of cash receipts and disbursements to manage liquidity conditions in order to understand the condition of income shortages with the inclusion of deposits in finance. Cash flow has 3 parts, namely: operating activity cash flow, investing activity cash flow and financing activity cash flow.

Cash flow from operating activities consists of receipts and disbursements of funds used for industrial operating activities which are recorded as profit, interest and tax decisions. Often the problem that arises in operating cash flow activities is when the total income from the company's operational activities decreases or loses so that the company is unable to repay loans, pay dividends, and make new

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investments without relying on outside funding.

In addition to cash flow from operating activities, the factor that affects stock prices is cash flow from investing activities. Cash receipts and disbursements transactions for the benefit of investing activities are called cash flows from investing activities. Cash flows from investing activities need to be disclosed because cash flows are a consideration for investors in assessing the company's performance in the future. The problem that arises in cash flows from investing activities is that if the cash flows into investing activities are smaller than the cash flows out of them, the cash flows from investing activities need to be reported. In addition to cash flow from investing activities, the factor that affects stock prices is Cash Flow from Funding Activities.

Harahap (2015:303) explains "accounting profit is the difference in the realization of income derived from transactions of a company in a certain period of time minus the costs incurred to earn income." In the historical cost method, profit is measured based on the difference between the net assets at the beginning and the end of the period. So the result will be the same as the profit calculated as the difference between revenue and expenses." Thus supporting the argument that higher operating income has an effect on stock prices.

Arief Sugiono (2016: 35) states "operating activities are activities carried out by a company in obtaining profits by selling goods and services." The existence of a sufficient amount of cash flow from operating activities, the company does not need to rely on outside financing. Therefore, the capital structure owned by the company remains and the funds that have been invested by investors are managed effectively and efficiently by the company.

RESEARCH METHODS

This research is descriptive where the research is from general to specific. The type and research data used is quantitative research, namely data in the form of numbers or qualitative data that is numbered. Sugiyono (2018; 8) states "Quantitative research is a type of research in the form of numbers and statistical analysis to measure and obtain research results.

According to Sugiyono (2015; 117) states "Population is a generalization area consisting of: objects/subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions." The population in this study is the Consumer Goods Industry sub-sector listed on the IDX for the 2018-2020 period, which amounts to 52 companies

According to Silaen (2018: 87) "The sample is part of the population that is taken in certain ways to measure or observe its characteristics". The sample in this study used purposive sampling which is a method of selecting samples based on certain criteria in order to obtain a representative sample of the research population. The criteria for selecting the sample are as follows:

1 Consumer Goods Industry Company listed on the Indonesia Stock Exchange during the period 2018-2020 52

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2 Consumer Goods Industrial Companies that did not publish complete Financial Statements consecutively during the 2018-2020 period (18)

3 Consumer Goods Industry Companies that suffered losses in the 2018-2020 period (7)

Number of samples Company 27
Number of research samples (3 years X 27) 81

The data collection technique in this study was carried out with a Documentation study in which the data was collected by recording, collecting and studying data from related companies taken from the annual financial statements of consumer goods industry companies.

According to Sugiyono (2017:275) "Multiple linear regression analysis is used by researchers to determine the effect of the dependent variable on the independent variable. According to Sugiyono (2012:2) the Multiple Linear Regression equation set is as follows:

$$Y = \alpha + \beta X1 + \beta X2 + \beta X3 + \beta X4 + X4 + \epsilon$$

Figure 1. Multiple Linear Regression Equation Set

Information:

Y = Share Price

= Constant

= Regression Coefficient

X1 = Income After Tax

X2 = Cash Flow From Operating Activities

X3 = Cash Flow From Investing Activities

X4 = Cash Flow From Funding Activities

= Confounding Variable

RESULTS AND DISCUSSION

The results of data processing using spss 25 with treatment to normalize the data using the output method. The population in this study are consumer goods industrial companies listed on the Indonesia Stock Exchange in 2018-2020.

From a total of 81 samples then using data treatment so as to obtain 78 samples with the following results:

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Laba Akuntansi	78	-7.55	-.64	-3.0167	1.41986
AKO	78	-1.96	-.10	-1.0229	.47553
AKI	78	2.53	3.38	3.1120	.28595
AKI	78	8.44	27.93	21.2612	6.06885
Harga Saham	78	13.17	29.59	23.2394	6.00440
Valid N (listwise)	78				

Table 1. Descriptive Statistics

1. The Accounting Profit variable has a minimum yield of 0.755 from ICBP companies for the 2020 period, a maximum value of 0.64 from CLEO companies for the 2018 period, the mean value is 0.30167 and the overall standard deviation value is 0.141986.

2. The operating activity cash flow variable has a minimum yield of 0.196 from ULTJ companies for the 2020 period, a maximum value of 0.10 from a PEHA company for the 2019 period, the mean value is 0.10229 and the overall standard deviation value is 0.41986.

3. The Investment Activity Cash Flow variable has a minimum yield of 0.253

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from the WOOD company for the 2018 period, the maximum value is 0.338 from the UNVR company, the mean value is 0.31120 and the overall standard deviation value is 0.28595.

4. The Funding Activity Cash Flow Variable has a minimum yield of 0.844 from GGRM companies for the 2018 period, the maximum value is 0.2793 from the INDF companies for the 2020 period, the mean value is 0.212612 and the overall standard deviation value is 0.606885.

The Stock Price variable has a minimum yield of 0.1317 from the TSPC company for the 2019 period, the maximum value is 0.2959 from the MLBI company for the 2020 period, the mean value is 0.232394 and the overall standard deviation value is 0.600440.

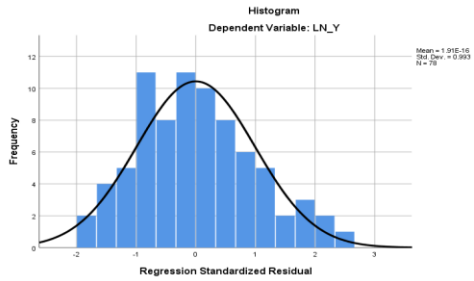

Figure 2. Histogram

In the picture above, it can be concluded that the data is normal, it can be seen from the observation data that the shape tends to be symmetrical because there is no left and right tilt and is shaped like a bell. This shows no symptoms of Normality. In the normality test with the probability plot, it is said to be normal if the P-Plot image shows the dots following and approaching the diagonal lines.

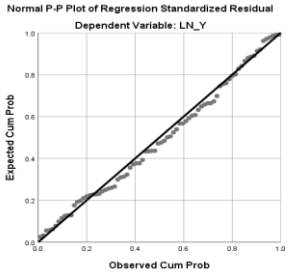

Figure 3. P-P Plot

The linear results of the P-Plot normality test above show that the test is normal because the points follow and approach the diagonal lines, namely the x-axis and y-axis.

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		78
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	1.67105069
SSMost Extreme Differences	Absolute	.058
	Positive	.058
	Negative	-.039
Test Statistic		.058
Asymp. Sig. (2-tailed)		.200[c,d]

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

Table 2. One-Sample Kolmogorov-Smirnov Test

Results of the table above are normal, it is known through the results of the Statictkolmogorv-Smirnov Test score of 0.200 and compared with a significant value of 0.05 (0.200> 0.05). So the conclusion is that the observation accepts

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H0 and there are no symptoms of normality in the table above.

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	LA	.682	1.467
	AKO	.728	1.373
	AKI	.151	6.621
	AKP	.158	6.343

a. Dependent Variable: LN_Y

Table 3. Collinearity Statistics

The results of the table test are understood that all variables have tolerance results > 0.10 and VIF results < 10, so from the variables Accounting Profit, Operating Activity Cash Flow, Investment Activity Cash Flow, Funding Activity Cash Flow and Stock Price are said to pass the Multi collinearity test because qualify for this test.

Runs Test

	Unstandardized Residual
Test Value[a]	-.11495
Cases < Test Value	39
Cases >= Test Value	39
Total Cases	78
Number of Runs	35
Z	-1.140
Asymp. Sig. (2-tailed)	.254

Table 4. Unstandardized Residual

The results of the table explain the magnitude of the test value is -11495 with a probability or significant result of 0.254 and significance must be above 0.05 (0.254> 0.05) and the observation results are H0 accepted with the overall conclusion that there are no autocorrelation symptoms and are normal.

The heteroscedasticity test was carried out with the aim of testing whether there was a variance or residual inequality from one observation to another. In this study, the heteroscedasticity test was used.

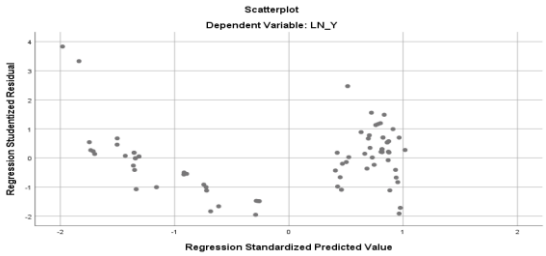

Figure 4. Heteroscedasticity Test

Based on the picture above, it shows that the picture is normal, because the points in the picture above are spread throughout and there is no collection of dots in the form of a pattern. So there are no symptoms of heteroscedasticity.

Data Analysis Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	-35.037	2.100		-16.687	.000
	LA	.011	.088	.003	.127	.899
	AKO	.502	.255	.040	1.973	.052
	AKI	17.900	.929	.852	19.258	.000
	AKP	.147	.043	.148	3.423	.001

a. Dependent Variable: LN_Y

Table 5. Multiple Linear Regression Analysis

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By getting the result:

HS= -35,037 + 0.011 Accounting Profit + 0,502 AKO + 17,900 AKI + 0.1471 AKP

1. Constants If Constants have a value of -35,037 it means that Accounting Profit, AKO, AKI, AKP are considered zero with a company value of -35,037

2. Accounting profit has a value of 0.011 which means that the increase in the value of accounting profit in one time, it will cause an increase in the value of the stock price of 0.011

3. Operating Activity Cash Flow value 0.502 means that an increase in operating activity cash flow value in one time will cause an increase in the share price value of 0.502

4. Cash Flow Inventory Activities value of 17,900 means that an increase in the value of cash flow investment activities in one time will cause an increase in the value of the Share Price of 17,900

Cash Flow Funding Activities a value of 0.147 means that an increase in the value of cash flow from funding activities in one time will cause an increase in the value of the Share Price 0.147

Coefficient of Determination (R2)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.989[a]	.978	.977	.90641	1.172

a. Predictors: (Constant), LN_X4, LN_X2, LN_X1, LN_X3

b. Dependent Variable: LN_Y

Table 6. Adjusted R Square

Adjusted R Squarenya 0.977 with an effect of 97.7% on the stock price and the remaining 2.3 is influenced by other variables.

Partial Hypothesis Testing (T Test)

Coefficients

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.
1	(Constant)	-35.037	2.100		-16.687	.000
	LA	.011	.088	.003	.127	.899
	AKO	.502	.255	.040	1.973	.052
	AKI	17.900	.929	.852	19.258	.000
	AKP	.147	.043	.148	3.423	.001

a. Dependent Variable: LN_Y

Table 7. Partial Hypothesis Testing (T Test)

If there is a tcount > t table then it has an influential relationship. In the table above, the Ttable value and the mean value are 0.05 with degrees of freedom = 78 – 4 -1 = 73, the ttable value is 1.99300, the partial value is

1. The accounting profit variable produces a tcount value of 0.127 ttable 1.99300 with a significant value of 0.899. So the results of the comparison on this variable are tcount 0.127> ttable 1.99300 and 0.899> 0.05 with the conclusion that the variable accounting profit has no significant effect on stock prices.

2. The operating activity cash flow variable has a tcount value of 1.973, ttable 1.99300 and significant 0.899. So the results of the comparison on this variable are tcount 1.973 < ttable 1.99300 and 0.899 > 0.05. With the conclusion that the operating activity cash flow variable has

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no effect and is not significant on stock prices.

3. Variable Cash Flow Investment Activities has a value of tcount 19.258 t table 1.99300 and significant 0.000. So the results of the comparison on this variable are tcount 19.258 < t table 1.99300 and 0.000 < 0.05. with the conclusion that the Cash Flow of Investment Activities has a significant and significant effect on stock prices.

4. Variable Cash Flow Funding Activities has a value of tcount 3.423, ttable 1.99300 and significant 0.001. So the results of the comparison on this variable are tcount 3,423 > ttable 1.99300 and 0.001 <0.05. With the conclusion that the Cash Flow of Funding Activities has an effect and is significant on the Stock Price.

Simultaneous Hypothesis Testing (F Test)

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2716.093	4	679.023	826.479	.000[b]
	Residual	59.976	74	.822		
	Total	2776.068	78			

a. Dependent Variable: LN_Y

b. Predictors: (Constant), LN_X4, LN_X2, LN_X1, LN_X3

Table 8. F-Test

In the picture above, it tests all variables or partially, where the compared values of ;fcount and ftable with (df1) = 4 and (df2) = 74 with ftable results 2.4995 and significant 0.05. Then it was concluded that fcount 826.4795> ftable 2.4995 and the significance was 0.000 <0.05. So the overall result is that all variables, namely Accounting Profit, AKO, AKI, and AKP have a simultaneous effect on Stock Prices.

The accounting profit variable has no effect and is not significant on stock prices. This can be seen from the value of tcount 0.127 > t table 1.99300 and 0.899 > 0.05. This means that it shows that accounting profit is not a major factor in the increase in stock prices. The value of accounting profit which has increased every year has not been able to increase the stock price of a company. The results of this study are not in line with the research of Sulia (2016) which concluded that accounting profit has an effect on stock prices.

Activity cash flow is an indicator that determines whether a company's operations can generate sufficient cash flow to repay loans, maintain the company's operating capabilities, pay dividends, and make new investments without relying on outside sources of funding. The operating activity cash flow variable has no and no significant effect on stock prices, this can be seen from the value of tcount 1.973 < ttable 1.99300 and 0.899 > 0.05. This hypothesis is in line with research conducted by Sry Ayu (2019) which states that operating cash flow has no effect on stock prices.

Investment cash flow is important for the company because it is in this investment cash flow that we can see globally how much the company's income and expenses come from investors. Investment cash flow is influential and significant on stock prices. This shows that investors' trust in the company is very This research is in line with the hypothesis conducted by Kornelius Aldi (2019) which says that Cash Flow of Investment Activities has an effect on stock prices.

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Variable Cash Flow Funding Activities and significant effect on stock prices. This can be seen from t count 3.423 > t table 1.99300 and 0.001 < 0.05. This shows that the value of the cash flow of funding owned by the company is able to increase the stock price of the company. This study is not in line with Juliana Vaya(2017) who concluded that the cash flow of funding has an effect on stock prices.

CONCLUSION

1. Accounting Profit Variables have no effect and are not significant on stock prices in consumer goods industrial companies listed on the stock exchange for the 2018-2020 period

2. Operating Activity Cash Flow Variables have no effect and are not significant on stock prices in consumer goods industrial companies listed on the stock exchange for the 2018-2020 period

3. Variables of Cash Flow Investment Activities have a significant and significant effect on stock prices in consumer goods industrial companies listed on the stock exchange for the period 2018-2020

4. Variables of Cash Flow Funding Activities have a significant and significant effect on stock prices in consumer goods industrial companies listed on the stock exchange for the period 2018-2020

5. Accounting Profit Variables, AKO, AKI, and AKP have a simultaneous effect on stock prices in consumer goods industrial companies listed on the stock exchange for the 2018-2020 period

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