THE INFLUENCE OF NET PROFIT MARGIN AND LIQUIDITY (CURRENT RATIO) ON STOCK PRICE

(Survey Research on Companies Pharmaceutical Sub-Sector Listen Indonesia Stock Exchange Period 2012-2016)

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ABSTRACT

The purpose of this study was to examine empirically the influence on Net Profit Margin and Liquidity (Current Ratio) to Stock Price on Sub Sector Pharmaceutical Company Listed on Indonesia Stock Exchange Period 2012-2016. The problems that occur in Sub Sector Pharmaceutical Company is the decrease of Stock Price but not followed by the increase of Net Profit Margin. Then the company has descreased Stock Price but not followed by the increase of Liquidity (Current Ratio).

The research uses descriptive verification analysis method with population 10 companies from Sub Sector Pharmaceutical Companies. Sample selected by using purposive sampling, so the sample obtained to 8 companies with 40 financial reports from Sub Sector Pharmaceutical Company Listed in Indonesia Stock Exchange Period 2012-2016. Technical of data analysis is multiple linear regression with SPSS 16.0 version as the application.

The result of the analysis showed that Net Profit Margin has positive and significant effect to Stock Price, and Liquidity which measured by Current Ratio has Positive dan significant effect to Stock Price.

Keywords: Net Profit Margin, Liquidity (Current Ratio), Stock Price.

I INTRODUCTION

1.1 Background Research

Capital markets have an important role in supporting the economy of a country. The capital market is a tool that can be utilized to mobilize funds, both from within and from abroad. Meanwhile, for investors the capital market is a vehicle to invest funds. One area of investment that is in great demand by foreign and domestic investors in the capital market is the form of shares of companies that go Public (Putri Sri Rahayu dan I Made Dana, 2016).

In investing in capital markets we can not be separated from the risks that must be borne by investors and with the existence of such uncertainty investors must be careful in making decisions on what stocks to be purchased, in every decision should also be based on good and correct analysis . One of the important things to consider in investing in the stock market is the stock price, because stock prices in the stock exchange have a degree of instability, then investors should do a good analysis in order to take the right decision and the increase and decline in stock prices are still in limits of fairness (Damayanti, Atmadja, Adiputra, 2014).

Stock prices reflect the value of the company, so the stock price is strongly influenced by the achievement and performance of the company and prospects in increasing the value of the company in the future. To analyze stock prices, investors can use fundamental analysis. An analysis that focuses on the performance of firms that issue shares and economic analysis that will affect the future of the company, this analysis can be done by looking at the company's financial statements (Sutrisno, 2013:310).

Net profit margin is the ratio between net income after tax and net sales is used to measure the ability of net profit rate obtained by each rupiah sales. net profit margin is one of the profitability ratios used to measure net income compared to sales. Net profit margin or often also called sales margin is used to see how much comparison of earnings can be generated with sales owned company (Alexandri, 2009: 200). Net profit margin or sales margin is used to measure net profit or net income per sales rupiah. The better the resulting number, the better the performance shows (Johar Arifin dan Achmad Sumaryono, 2007:69).

The relationship between net profit margin and stock price is in accordance with what was stated by Eduardus Tandelilin (2010: 386) that high net profit margin can show good company performance because it can generate big net profit through its sales activity so that the stock of the company is much in demand investors and will raise the company's stock price. This ratio does not reflect the amount of net presentations the company gains for each sale because of the elements of revenue and operating costs.

Liquidity ratio, is the ratio intended to measure the liquidity of the company or the ability of a company to meet all financial obligations that must be paid immediately. To be able to meet all the obligations of the company at maturity. The company must have current assets whose amount must be much larger than the current liabilities that must be paid immediately. The higher the level of liquidity, the better the company's position in the eyes of creditors. Because most likely the company will be able to pay its obligations on time (Munawir, 2010: 72).

Good corporate conditions will certainly attract investors to invest in the company, so the stock price will increase. On the other hand, in terms of shareholder angles, high liquidity is not always beneficial because it has the opportunity to generate idle funds that can actually be used to invest in projects that benefit the company (Syamsuri Rahim, 2015). Liquidity is one factor that can drive stock price changes. High liquidity shows the company's ability to meet its short-term liabilities. Company liquidity can be measured by current ratio. The current ratio shows the company's ability to repay the current debt by using its current assets (Sudana, 2011: 24).

In Pharmaceutical Sub-Sector Companies, Merck Indonesia Tbk (MERK) Company has decreased share price in 2014, 2015 and 2017. However, in terms of net profit margin in 2013, 2014 and 2016 increased. And Tempo Scan Pasipic Tbk (TSPC) Company experienced a decline in share price continuously for 3 consecutive years from 2015-2017. However, in terms of current ratio can be seen increased during two years in 2014 and 2016.

Based on the description above, then the author is interested to lift the title:"**The Influence Of Net Profit Margin And Liquidity (Current Ratio) On Stock Price (Survey Research on Companies Pharmaceutical Sub Sector Listen Indonesia Stock Exchange Period 2012-2016)**".

1.2 Formulation of The Problem

1. How much influence net profit margin to stock price.
2. How much influence the liquidity (current ratio) to stock prices.

1.3 Research Objectives

1. To know the effect of net profit margin on stock price.
2. To know the magnitude of the influence of liquidity (current ratio) to stock prices.

1.4 Usefulness of Research

1.4.1 Practical Use

1. For the Company
   As input in considering the return of financial policy to improve company performance.
2. For Other Researchers
   The results of this study can be used as additional reference materials and can also be used as a comparison for further research.

1.4.2 Academic usefulness

1. For Authors

The results of the research can be used as a guide to add financial management knowledge related to Net profit margin, current ratio, and stock price.

2. For Higher Education
   For universities, the results of the study are expected to be useful academic documents to be used as a reference for academic activities.

II REVIEW OF LITERATURE, FRAMEWORK FOR THINKING AND HYPOTHESES

2.1 Literature Review

2.1.1 Net Profit Margin

Net profit margin (NPM) is the ratio used to measure the percentage of net income on net sales. This ratio is calculated by dividing net income against net sales (Hery, 2015: 235).

Net profit margin is a reflection of the company's ability to generate net profit from each sale. The higher the value of net profit margin then shows the better (Warner R.Muhardi, 2013: 64).

2.1.2 Liquidity

Liquidity is the company's ability to meet its immediate obligations. Liquidity is related to the short-term creditor confidence issue to the company, meaning that the higher the liquidity the more trusting the short-term creditors. Company liquidity is shown by the size of current assets or easy-to-cash assets, such as cash, securities, accounts receivable, and inventory (Sutrisno, 2012: 14).

Liquidity is a description of a company's ability to meet its short-term obligations in a smooth and timely manner so that liquidity is often referred to as short term liquidity (Irham Fahmi, 2012: 14).

2.1.3 Stock Price

The stock price occurs in the stock at a certain time. Stock prices may change up or down in a fast time relationship. Stock prices may change in a matter of minutes or even change in seconds. This is possible because it depends on demand and supply between stock buyers with stock sellers (Darmadji and Fakhrudin, 2012: 102).

Stock price is the price or the value of money that is willing to be issued to obtain on a stock (Widoatmodjo, 2012: 45).

2.2 Framework

2.2.1 Effect of Net Profit Margin Against Stock Price

The company's net profit margin is high then the company's investment return will be high so that investors will be interested to buy the stock, so that the stock price will increase (Eduardus Tandelilin, 2010: 236).

The greater the net profit margin it is considered the better the company's ability to earn a high profit. The relationship between the net profit of the residual tax and net sales shows the ability of management to drive the company successfully enough to leave a certain margin as reasonable compensation for the owner who has provided his capital for a risk. Thus this will increase the interest of investors to invest their capital, so the demand for the company's stock increases. Increased demand will increase the share price of the company (Kasmir, 2013: 200).

The research conducted by Tania Andani, et al (2015) suggests that high net profit margin can show that the company's performance is good because it can generate high net income through sales activities. As a result the stock price of the company will be much in demand by investors and will raise the stock price of the company in the capital market.

2.2.2 Liquidity Influence Against Stock Price

The higher the company's ability to meet its short-term debt, it shows that the company is very good or healthy and it will attract investors to invest, so that stock prices will increase (Brigham, 2012: 135).

According Syamsudin (2009: 40), a high level of liquidity will show that the company is in good condition that will increase the demand for stocks and will certainly raise the stock price. Furthermore, stock prices will also tend to decrease if investors consider the company is too liquid which means there are productive assets that are not utilized by the company, and not utilized the assets will increase the burden for the company due to maintenance costs and storage costs that must continue to pay.

Research conducted by Tirta TT Muhammad and Syamsuri Rahim (2015) suggests the higher level of liquidity, the better the company's position in the eyes of creditors. Because most likely the company will be able to pay its obligations on time. Good corporate conditions will certainly attract investors to invest in the company, so the stock price will increase.

2.3 Hypothesis

Based on the above framework, the authors take a temporary hypothesis to determine the relationship between net profit margin (X1) to the stock price (Y) and between current (X2) to stock price (Y), then the hypothesis formula is as follows:

H1 : Net profit margin effect on stock price.
H2 : Liquidity (current ratio) effect on stock prices.

III RESEARCH METHODS

3.1 Method of Approach

The research method is a method used by researchers in collecting research data. The method used in this research is descriptive and verifikatif method with quantitative approach. With descriptive research method with quantitative approach used to describe the results of research, while the method of verification research is used to test the truth of the theory and hypotheses that have been advanced by experts.

In this research, descriptive method of verification with quantitative approach is used to test the variable of Stock Price (Y) influenced by Net Profit Margin (X_1) and Current Ratio (X_2) variable and to test a hypothesis whether accepted or rejected.

3.2 Operational Variables

Operationalization of variables is the process of decomposition of research variables sub variables, dimensions, indicators sub variable, and measurement. The condition of the decomposition of operationalization is done when the basic concepts and indicators of each variable is clear, if not conceptually clear then it is necessary to do factor analysis (Umi Narimawati, et al, 2010: 31). To be more clear about the variables studied, it can be seen in table 3.1

3.3 Data Source

Sources of data in this study is secondary data in the form of net profit margin data, current ratio and stock prices of financial statements of pharmaceutical sub-sector listed in Indonesia Stock Exchange Year 2012-2016.

3.4 Population, Sample and Place and Time of Research

3.4.1 Population

Research population is generalization area consisting of, object or subject having certain quantity and characteristic determined by researcher to be studied and then drawn its conclusion (Sugiyono, 2014: 80).

The population used in this study is 50 annual financial reports of Pharmaceutical Sub-Sector Companies Listed on Indonesia Stock Exchange 2012-2016.

3.4.2 Sampling

The sample is part of the number and characteristics possessed by the population (Sugiyono, 2010: 59). Sampling used in this research using purposive sampling method. Then the number of samples used in this study are as many as 40 Financial Report of Pharmaceutical Sub-Sector Companies Listed on Indonesia Stock Exchange Year 2012-2016 which comes from 8 units of the company.

3.4.3 Place and Time of Research

To obtain data and information relating to the problems studied, the researcher conducted a research on the Indonesia Stock Exchange which is located at Jl. PHH Mustofa No.33 Bandung to obtain secondary data of pharmaceutical sub-sector companies listed on Indonesia Stock Exchange in 2012-2015. The time of the research started in May 2017 until August 2017.

3.5 Method of Collecting Data

1. Field Research (Field Research)
   Field research is a research conducted directly in the company that became the object of research. The data obtained are secondary data obtained by: Observation, Document - Document.
2. Library Research
   The data collection is done by reading the literature, the books on the theory of the problems studied and using internet media as supporting media in tracking additional information about the theory and data required in this research.

3.6 Data Testing Method

3.6.1 Multiple Linear Analysis

In this study using multiple regression analysis is used to predict how the state (up and down) dependent variable, when two or more independent variables as indicators. This analysis is used by involving two or more independent variables between the dependent variable (Y) and the independent variable variables (X1 and X2).

Multiple linear regression analysis is used to prove the extent of the influence of Net Profit Margin and Liquidity (Current Ratio) Against Stock Price.

3.6.2 Classic Assumption Test

In multiple linear regression analysis, to obtain more accurate results and non-biased regression model or regression model of Best Linear Unbiased Estimator (BLUE) it is necessary to test the classical assumption first, consisting of normality test, multicolinearity test, heteroscedasticity test, and autocorrelation test.

3.6.3 Correlation Analysis

Correlation analysis aims to measure the power of association (relationship) linear between two variables. Direction is expressed in positive and negative, while the strong or weak relationship is expressed in the magnitude of the correlation coefficient. To be able to provide interpretation of the correlation coefficients found large or small, it can be guided by the following provisions:

Interval Coefficients	Level of Closeness
0,00 - 0,199	Very Low
0,20 - 0,399	Low
0,40 - 0,599	Medium
0,60 - 0,799	Strong
0,80 - 1,000	Very Strong

Sumber : Sugiyono (2014:18)

3.6.4 Coefficient of Determination Analysis

The purpose of determination coefficient analysis is to calculate the magnitude of the influence of independent variables to the dependent variable. The amount of coefficient of determination (Kd) can be partially known by using the formula:

$$Kd = r \text{ ^ } 2 \times 100\%$$

Information:

Kd : Coefficient of Determination or How Far Variable Change Y Used by Variable X
r ^ (2) : Squares of the Correlation Coefficient
100% : Multiplier stated in percentage

3.6.5 Hypothesis

The design of this hypothesis testing to test whether there is influence between independent variable (X_1) Net ProfitMargin and (X_2) Liquidity (Current Ratio) Against (Y) Stock Price, with steps as follows:

1. Hypothesis Testing by Partial (Stasis Test t). The statistical hypothesis of this study are:
   Ho: β1 = 0, : Net profit margin has no effect on stock price.
   Ha: β1 ≠ 0, : Net profit margin gives effect to stock price.
   Ho: β2 = 0, : Liquidity (current ratio) has no effect on stock prices.
   Ha: β2 ≠ 0, : Liquidity (current ratio) has an effect on stock price.
2. Determine the level of significance
   Determined by 5% of degrees of freedom (dk) = n-k- l, to specify the table as the boundary of the reception area and the rejection of the hypothesis. The significant level used is 0.05 or 5% because it is considered sufficient to represent the relationship of the variables studied and is the level of significance commonly used in research status.
3. Describes Regional Acceptance and Rejection
   To describe the area of acceptance or rejection then used the criteria by comparing Results t arithmetic with the table as follows:
   a) If t arithmetic> t table 0.05 (dk = n-2), then Ho = rejected, Ha accepted
   b) If t arithmetic <t table 0,05 (dk = n-2), then Ho = accepted, Ha rejected

IV RESEARCH RESULT AND DISCUSSION

4.1 Research Results

4.1.1 Results of Deacriftive Analysis

4.1.1.1 Net Profit Margin at Pharmaceutical Sub Sector Companies Listed on Indonesia Stock Exchange 2012-2016

Average Net Profit The highest margin in pharmaceutical sub-sector from 2012-2016 is owned by Herbal & Pharmaceutical Industry Sido Muncul Tbk. While the lowest average Net Profit Margin from 2012-2016 is owned by Indofarma (Persero) Tbk.

4.1.1.2 Likuidity (Current Ratio) of Pharmaceutical Sub Sector Companies Listed on Indonesia Stock Exchange 2012-2016

The highest average Liquidity measured through Current Ratio in pharmaceutical sub-sector from 2012-2016 by Herbal & Pharmaceutical Industry Sido Muncul Tbk. While the lowest average Liquidity measured through Current Ratio from 2012-2016 is owned by Indofarma (Persero) Tbk.

4.1.1.3 Stock Price at Pharmaceutical Sub Sector Companies Listed on Indonesia Stock Exchange 2012-2016

The highest average stock price in the pharmaceutical sub-sector from 2012-2016 is owned by Merck Indonesia Tbk. While the lowest average Stock Price from 2012-2016 is owned by Pyradam Farma Tbk.

4.1.2 Verifikatif Analysis

4.1.2.1 Classical Assumption Testing Results

1. Normality Test
   To detect whether the data is normally distributed or tiddak can be seen using the kolmogorov smirnov method with the provision significance value> 0.05 then the distribution of the population is normal. From the normality test results in Table 4.7 shows that the probability value (Sig) of each variable> 0.05 which indicates that the data used has a normal distribution so it can be concluded that the data already meet the assumption of normality.
2. Multicolinearity Test
   The multicollinearity test is performed by looking at tolerance value and Variance Inflantion Factor (VIF) with the test criteria if tolerance value> 0.10 and VIF <10 then no multicollinearity occurs. Based on Table 4.8 can be seen the tolerance value of both variables of 1.182 is smaller than 10 and all tolerance independent variables have a value of 0.975 = 97.5% greater than 10%, it can be concluded there is no multicollinearity.
3. Heteroskedasitas test
   Based on Figure 4.5, it is seen that the points obtained form a random and irregular pattern and spread above and below the number 0 on the Y axis so that the regression model to be formed did not find any heteroscedasticity.
4. Autocorrelation Test
   Based on Table 4.9, it is known that the Durbin Watson value obtained is 1.756 because the Durbin-Watson regression model on the processing result is 1,825 and greater than the upper limit (dU) 1,600 and less than 4 - 1,600 (4 - dU), it is concluded that regression model there is no autocorrelation. Based on Classical Assumption Test above, it is known that all the test data is not found any violation of classical assumption so that data can be analyzed using multiple linear regression.

4.1.2.2 Resuls of Multiple Linear Regression Analysisi

$$Y = 244{,}337 + 323{,}985\ X1 + 534{,}090\ X2$$

The multiple linear regression equation above can be interpreted as follows:

a. Constants of 244,337; meaning that if Net Profit Margin and Liquidity (Current Ratio) value is 0, then the Share Price value is 244.337.
b. Regression coefficient variable Net Profit Margin (X1) of 323,985; meaning that if other independent variables are fixed and Net Profit Margin is up 1%, then Share Price (Y) will increase by 323,985. Coefficient of positive value means there is a positive relationship between Net Profit Margin with Stock Price, the higher Net Profit Margin then Stock Price will be higher.
c. The regression coefficient of Liquidity (Current Ratio) (X2) is 534,090; meaning that if other independent variables are fixed and the current ratio increases 1%, then the stock price (Y) will increase by 534,090. Coefficient of positive value means there is a positive relationship between Liquidity (Current Ratio) with Stock Price, the higher the Liquidity (Current Ratio) then Stock Price higher.

4.1.2.3 Correlation Coefficient Analysis

Based on table 4:11 above, the relationship between Net Profit Margin and Stock Price when the liquidity (Current Ratio) is not changed is 0.457, it means Net Profit Margin have a moderate relationship with the Stock Price. This can be seen from the correlation value is between 0.40 to 0.599 which belong to the category of being. Positive relationship means, every increase Net Profit Margin then it will increase the Share Price and vice versa.

Based on table 4.13 above, the relationship between Liquidity (Current Ratio) and Stock Price when Net Profit Margin is unchanged is 0.432, meaning Current Ratio has medium

relationship with Stock Price. This can be seen from the correlation value is between 0.40 to 0.599 which belong to the category of being. Positive relationship means, every increase of Liquidity (Current Ratio) then it will increase the Price of Shares and vice versa.

4.1.2.4 Determination Coefficient Analysis

Partial influence between independent variable to dependent variable is as follows:

a) The effect of Net Profit Margin on Stock Price = (0.457) 2 x 100% = 20.88% can be seen in Table 4:11
b) Influence Liquidity (Current Ratio) To Share Price = (0,432) 2 x 100% = 18,66% can be seen in table 4:13

4.1.2.5 Partial Hypothesis Testing (t test)

With a significant level (α) of 5%, and degrees of freedom (df) = 37, then the value of ttable is 2.026. So it can be concluded tcount> ttable (3.623> 2.026) and it can be concluded that H0 is rejected and H1 accepted. In conclusion, Net Profit Margin significantly influence Stock Price at Pharmaceutical Sub Sector Companies Listed in Indonesia Stock Exchange 2012-2016. If illustrated, the thitung and ttable values for the partial test X1 are shown in Figure 4.6.

With a significant level (α) of 5%, and degrees of freedom (df) = 37, then the value of ttable is 2.026. So it can be concluded the value -thount <-ttable (3.425> 2.026) and it can be concluded that H0 is rejected and H1 accepted. In conclusion, Liquidity (Current Ratio) has a significant effect on Stock Price in Pharmaceutical Sub Sector Companies Listed on Indonesia Stock Exchange 2012-2016. If depicted, the thitung and ttable values for the X2 partial test are shown in Figure 4.7.

4.2 Discussion

4.2.1 The Influence of Net Profit Margin on Stock Price at Pharmaceutical Sub Sector Companies Listed on Indonesia Stock Exchange 2012-2016

The result of this research has got correlation value between Net Profit Margin and Stock Price when liquidity (Current Ratio) is not changed is 0,457 it means Net Profit Margin has medium relationship with Stock Price. This can be seen from the correlation value is between 0.40 to 0.599 which belong to the category of being. Positive relationship means, every increase Net Profit Margin then it will increase the Share Price and vice versa.

Then a large percentage influence Net Profit Margin on Stock Price of 20.88%. Judging from the result, the influence of Net Profit Margin on Stock Price is less dominant. This means that there are other factors of 79.12% that can affect stock prices such as supply and demand, issuer's fundamental condition, interest rates, foreign exchange, foreign funds, composite share price index and rumors.

The result of research is supported by the result of research conducted by Sari Puspita Dewi and Rahmat Hidayat (2014), and Tania Andani, et al (2015) which shows that Net Profit Margin significantly influence Stock Price.

4.2.2 The Influence of Liquidity (Current Ratio) on Stock Price at Pharmaceutical Sub Sector Companies Listed on Indonesia Stock Exchange 2012-2016

The result of research has got correlation value between Liquidity (Current Ratio) and Stock Price when Net Profit Margin is not changed is 0,432 means Current Ratio has medium relationship with Stock Price. This can be seen from the correlation value is between 0.40 to 0.599 which belong to the category of being. Positive relationship means, every increase of Liquidity (Current Ratio) then it will increase the Price of Shares and vice versa.

Then a large percentage of the influence of Liquidity (Current Ratio) to the Stock Price of 18.66%. Judging from these results, then the influence of Liquidity (Current Ratio) on Stock Price is less dominant. This means that there is another factor of 81.34% which can affect stock prices such as supply and demand, issuer's fundamental condition, interest rates, foreign exchange, foreign funds, joint stock price index and rumors.

The results of this study is supported by the results of research conducted by Tirta TT Muhammad and Syamsuri Rahim (2015), and Mamik Trisnawati (2015) which shows that the liquidity (Current Ratio) significant effect on stock prices.

V CONCLUSIONS AND SUGGESTIONS

5.1 Conclusions

Based on the results of research and discussion on Net Profit Margin (NPM) and Liquidity (Current Ratio) to Stock Price, then at the end of this study, the authors draw the following conclusions:

1. Net Profit Margin (NPM) effect on Stock Price. There is a positive and positive relationship which means that every increase of Net Profit Margin (NPM) then it will increase the Share Price and vice versa. Fluctuating changes in Net Profit Margin (NPM) are due to an increase or decrease in net sales, financial income, other income, cost of goods sold, general and administrative expenses, financial expenses and income tax expense.
2. Liquidity (Current Ratio) effect on Stock Price. There is a positive and positive relationship means, every increase of liquidity (Current Ratio) then it will increase the Share Price and vice versa. Fluctuating changes in liquidity (Current Ratio) due to an increase or decrease in the amount of cash and cash equivalents, time deposits, accounts receivable, inventories, accrued expenses, tax debt, the amount of bank loans, other debts and third party de

5.2 Suggestions

5.2.1 Practical Tips

1. For the Company
   For Pharmaceutical Sub-Sector Companies listed on the Indonesia Stock Exchange, especially for the management of the company, the company should be able to increase the profit of each year by performing various cost efficiencies and expenses incurred to improve the ratio of Net Profit Margin (NPM). Then the company can also do a more effective marketing strategy to increase revenue, so that with increasing revenue and the efficiency of expenses and costs, the company can obtain maximum profit. With the increase in profits to the maximum then it can make investors interested to invest, so the stock price of companies in the capital market will increase. In addition, the company must increase the company's current assets by controlling the amount of inventory and reducing the use of inefficient cash, in order to guarantee all the current debts owned by the company well, in addition the company must be able to increase the company's activities for inventory turnover, accounts receivable, fixed assets and other assets owned by the company can be faster than in previous years. And it is recommended that the assets owned by the company can be more productive so as to increase the company's sales. By maintaining the stability Liquidity (Current Ratio), then investors will be more interested in investing and stock prices companies can increase.
2. For Investors
   For investors who are or will invest in Pharmaceutical Sub Sector Companies listed on Indonesia Stock Exchange, it is expected to be more careful in analyzing company's fundamentals and analyzing company's performance. Investors need to consider the Net Profit Margin Ratio (NPM) and the Company's Current Ratio to avoid investing their capital into a company that has the potential to generate no optimal profit.

5.2.2 Academic Suggestions

1. For the Development of Science
   The results of this study are expected to provide knowledge and add the latest information for the development of financial accounting knowledge, especially about

the influence of Net Profit Margin (NPM) and Liquidity (Current Ratio) against Stock Price.

2. For Other Researchers
   The researcher is expected to research Net Profit Margin (NPM) and Liquidity (Current Ratio) with different measurement standard from this research, and it is expected to examine the variables other than Net Profit Margin (NPM) and Current Ratio, other factors that may affect the Share Price. In addition, the authors suggest to add a period of years to be researched and add other objects in order to strengthen the results of research.

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ATTACHMENT

Table 3.1
Operational Variables

No	Variable	Concept Variable	Indicator	Scale
1.	Net Profit Margin (X1)	Net profit margin (NPM) is the relationship between net income after tax and sales shows the ability of management in running the company until quite successful in restoring / controlling the price of goods / services merchandise, operating expenses, depreciation, interest on loans and taxes (Kasmir, 2012:197).	$\text{NPM} = \frac{\text{Net profit after tax}}{\text{Sales}} \text{ x } 100\%$ (Kasmir, 2012)	Rasio
2.	Liquidity (X2)	Liquidity is a picture of a company's ability to meet its short-term obligations in a smooth and timely manner so that liquidity is often referred to as short term liquidity (Irham Fahmi, 2012:174).	$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}} \text{x } 100\%$ (Sutrisno, 2012:134)	Rasio
3	Stock Price (Y)	Stock price is the price or value of money that is willing to be issued to obtain on a stock (Widoatmodjo, 2012:45).	Closing Price (Darmadji dan Hendry, 2011:88).	Rasio

Table 4.7
Test Result Kolmogorov-Smirnov

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		40
Normal Parameters[a]	Mean	.0000000
	Std. Deviation	1.05745882
Most Extreme Differences	Absolute	.175
	Positive	.134
	Negative	-.175
Kolmogorov-Smirnov Z		1.107
Asymp. Sig. (2-tailed)		.172

a. Test distribution is Normal.

Table 4.8
Assaying Result of Multicollinearity Assumption

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	Net_Profit_Margin	.975	1.182
	Likuiditas	.975	1.182

a. Dependent Variable: Harga_Saham

Pigure 4.5

Test Result Assumption Heteroscedasticity

Scatterplot

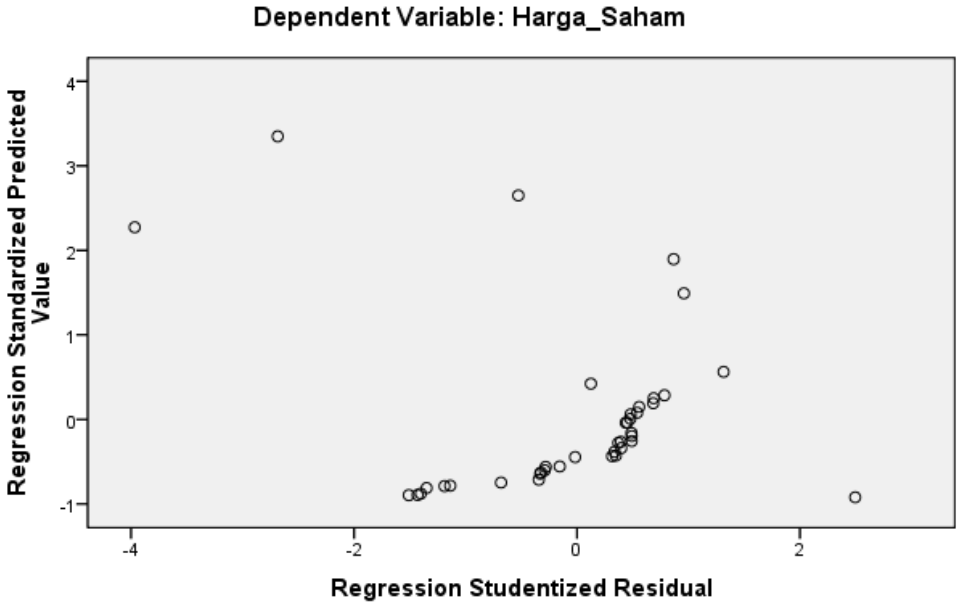


Table 4.9
Test Results Autocorrelation Assumptions

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.632[a]	.399	.367	2070.841	1.825

a. Predictors: (Constant), Liquidity, Net_Profit_Margin

b. Dependent Variable: Stock Price

Table 4.11
Pearson Net Profit Margin Correlation Result with Stock Price

Correlations

		Net_Profit_Margin	Harga_Saham
Net_Profit_Margin	Pearson Correlation	1	.457**
	Sig. (2-tailed)		.003
	N	40	40
Harga_Saham	Pearson Correlation	.457**	1
	Sig. (2-tailed)	.003	
	N	40	40

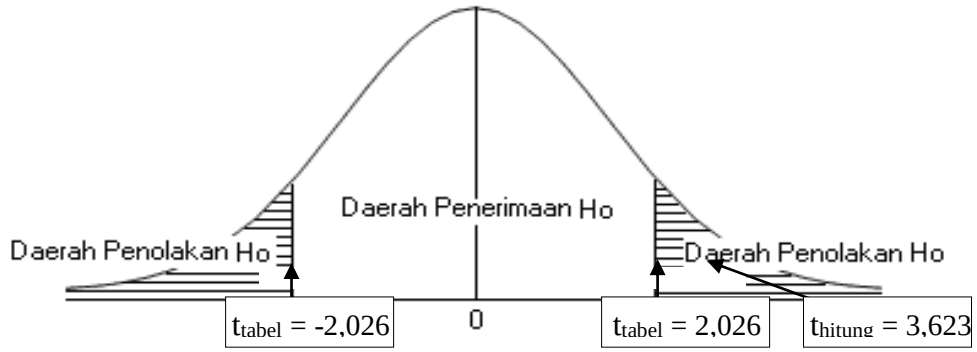
**. Correlation is significant at the 0.01 level (2-tailed).

Table 4.13
Pearson Correlation Results Liquidity (Current Ratio) with Stock Price

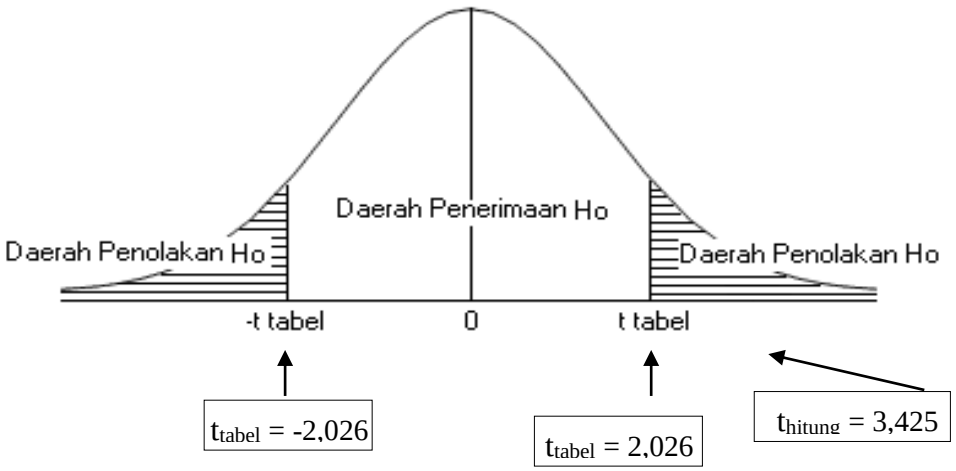
Correlations

		Likuiditas	Harga_Saham
Likuiditas	Pearson Correlation	1	.432**
	Sig. (2-tailed)		.005
	N	40	40
Harga_Saham	Pearson Correlation	.432**	1
	Sig. (2-tailed)	.005	
	N	40	40

**. Correlation is significant at the 0.01 level (2-tailed).



Pigure 4.6
Graph of Rejection and Acceptance H0 On the Net Profit Margin Tariff Against Stock Price



Pigure 4.7
Graph of Rejection and Acceptance of H0 On the Test t Liquidity (Current Ratio) Against Stock Price