THE INFLUENCE OF CURRENT RATIO AND NET PROFIT MARGIN TO STOCK RETURN
(Case Study on Subsector Coal Mining, Company Listed in Indonesian Stock Exchange Period 2012-2015)

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ABSTRACT

This study aims to determine the effect of Current Ratio and Net Proft Margin to stock returns on Subsector Coal Mining Company listed in Indonesia Stock Exchange.

The sample in this study are the financial statements of 16 companies of Subsector Coal Mining Company listed 2012-2015 in Indonesia Stock Exchange. Sampling techniques in this study by using purposive sampling, where each element of the population has an equal chance to become the sample. The data were collected from Indonesia Stock Exchange, this study used descriptive-verificative analysis technique. Data analysis method used is multiple regression. with SPSS statistical software version 23.

The results showed that the variables of Current Ratio have a significant effect to the Stock Return. Similary, the Net Profit Margin have a significant effect to the Stock Return.

Keywords:Current Ratio, Net Profit Margin, And Stock Return.

I. PRELIMINARY

1.1 Background Research

The overall economic development of one can be seen from the development of capital markets and securities industry in a country. Capital markets have a role as a means of financial investment in the world economy. The capital market as a means to mobilize funds sourced from the community to various sectors conducting investment. The main requirement that investors want to be willing to channel their funds through the capital market is a sense of security for their investment (Seri Murni et al., 2014).

Capital markets run two functions at once namely economic functions and financial functions. Capital markets perform economic functions because the capital markets provide facilities that bring together two parties who have two interests ie those who have excess capital (investors) with parties who need capital (emiten). While the capital market is said to have a financial function because it provides opportunities and possibilities for capital owners (investors), capital markets to obtain results, according to the type of investment selected. (Fuadi, 2010: 26)

Investment itself can be classified into two types, including direct and indirect investment. Indirect investment can be made by investors by buying securities from issuer companies. Direct investment can be done by an investor through capital market, money market, and derivative market (Jogiyanto, 2016: 7).

An investor in investing always expects to make a profit. To maximize these benefits, investors will try to invest in the shares of companies that can provide the *Return* or the benefits that can be in the form *of dividends* or *capital gains.* Source of *Return* of investment consists of two main components, namely *yield* and *capital gains. Yield* is the *return* that reflects the components of cash flow or revenue generated periodically in an investment. While *capital gains* that rise in price of securities (stocks or long-term debt), which could provide a profit for its

investors. Summation *yield*and *capital gain* referred to as a total *return* of investment (Tandelilin, 2010: 102).

Capital gain or often called the *actual return* is the difference between the market price of the current period (t) by the market price of the previous period (t-1). Both concepts *(yield* and *capital gain)* is a *total return* to be received by the shareholders (investors) in the long term. Thus the *total return* is the level of return of investment *(return),* which is the sum of the *yield* and *capital gain* (Jogiyanto, HM, 2016). Stock *returns* are influenced by patterns of daily trading activity undertaken by individual investors. The high level of trading activity in the capital market will affect the stock price.Study patterns of stock *returns* in the capital market demonstrated its diverse research results (Suryaningsih, 2010).

The fact that encountered in the field expressed by Head of Research Universal Broker Indonesia and Finance Director of PT Bayan Resources Tbk, on issues related to the decline in stock prices, and of course have an impact on the decline in stock *returns* as reported by the business market that As an illustration, the index position of the mining sector in August last September still reached 1,600 to 1,650, but at the close of trading on January 15, the mining sector index has been eroded to 1,294.58. Similarly, the yield *(return)* is contrary to yield JCI, which continues uphill climb. Over the last five years until December 2014, the mining sector stock *returns* fell 29.41%, in contrast to r *eturn* stock index soared 122.61% in this period. (Satrio Utomo and Edward Manurung, 2015).

In order to gain an advantage in investing investors in investing funds requires a variety of useful information to predict investment returns in the capital market. To analyze and select shares there are two basic approaches, namely fundamental analysis and technical analysis. Fundamental analysis tries to estimate stock prices in the future by estimating the value of fundamental factors affecting future stock prices, and applying the relationships of these variables to obtain the estimated stock price (Husnan, 2009: 307).

Ratios used in this study include liquidity and profitability ratios are functioning and often used to predict stock *returns.* Company liquidity reflects the financial ability of an enterprise to meet its financial obligations in the short term. The company is said to be liquid if able to meet its financial obligations in the short term. Conversely, if the company is not able to meet short-term financial obligations, then the company is in a state illiquid. For the company, the liquid is a very important issue because it represents the interests of the company in dealing with other parties, either internal or external parties (nurfita sari, 2012)

One measure of the liquidity of a company is the *current ratio,* which is a measure of the ability of the company to pay short-term debt, as this ratio shows how much charge the creditors would be met by assets that can quickly be turned into cash quickly in the short term (Eling Monica Sari, 2013)

Current Ratio shows the relationship between the cash and other current assets of a company with its current liabilities, the greater the *current ratio* owned by showing the extent of the company's ability to meet its operational needs, especially working capital, which is crucial to maintaining the company's performance, which in turn affect the stock price, it is can give confidence to investors to own shares in the company so as to increase stock *returns* (Brigham and Houston, 2009).

One of the profitability ratios, *net profit margin,* or sales margin is used to measure the net profit or net income per rupiah sales. This ratio is to interpret the level of efficiency of the company, ie the extent to which the ability of the company to reduce its operational costs in a certain period. The greater this ratio, the better for the company's ability to profit through the sale of high enough and the company's ability to suppress the costs fairly good (Rescyana, 2012: 105).

The fundamental reason the use of *net profit margin* for the ratio of the most widely used in assessing the performance of the company, but it is also in the perspective of stock selection, investors generally prefer stocks that have a high *net profit margin* because it can generate a high *return* also, and for companies with *Net Profit margins* are high perceived as a company that has good future prospects.

In several studies conducted, one of which carried Ni Putu Anning Widar, et al (2016) declare the results of testing that the *Net Profit Margin*(NPM) has a positive effect on stock returns. This means that *the Net Profit Margin* (NPM) higher are considered the company's ability to get a high enough profit and will be offset by an increase in stock *returns.* While the research conducted ika and Suwitho Maya (2016) concluded that there is a positive influence between *the Current Ratio* Stock *Return.*

Based on the description above, the writer interested to study more about the factors that may affect the return on investment in the form of *capital gains* in this study entitled: "Effect of *Current Ratio* and *Net Profit Margin* To *Return* Shares in Company Subsector Coal Mining listed on the Indonesia Stock Exchange Period 2012-2015 ".

1.2 Problem Formulation

Based on the previous discussion, the authors will take some formulation of the problem to be studied, including are as follows:

1. How much influence the *Current Ratio Return* facing ter Subsector Shares in Coal Mining Company listed on the Indonesia Stock Exchange.
2. How much influence the *Net Profit Margin Return* Against Subsector Shares in Coal Mining Company listed on the Indonesia Stock Exchange.

II. REVIEW OF LITERATURE, FRAMEWORK FOR THINKING AND HYPOTHESES

2.1 Literature review

2.1.1 Current Ratio

Current Ratio Definitions according Murhadi R. Werner (2013: 57) is as follows:

> "Current ratio *(current ratio)* is the ratio used to measure a company's ability meet short-term liabilities *(short-run solvency)* that will mature within one year. Current liabilities *(current liablities)* is used as the denominator (denominator) as it reflects the immediate liabilities to be paid within a year. "

Furthermore, according to Irham Fahmi **(2013:** 232) explains that the definition of *Current Ratio* is as follows:

> "Current Ratio *(Current Ratio)* is a measure commonly used on short-term solvency, the ability of a company to meet the needs debt when it matures."

As for the definition of *Current Ratio* in Kashmir (2013: 134) is as follows:

> "The current ratio or *(current ratio)* is a ratio to measure a company's ability to pay short-term obligations or debt immediately due upon being billed as a whole. In other words, how much current assets are available to cover short-term liabilities that are soon due. "

According to Kashmir (2013: 135), in practice it is often used that the current ratio of the standard 200% (2: 1) is sometimes considered a good enough or satisfactory measure for a company. formula to find the current ratio or *current ratio* can be used as follows:

$$\textbf{\textit{Current Ratio}} = \frac{(\textbf{\textit{Current Assets}})}{(\textbf{\textit{Current Liabilites}})}$$

Information :

- *Current Assset* = Current Assets
  Are posts that are one year old or less, or a larger operating cycle of a normal business.
- Current Liabilities = Current Debt

It is a payment obligation within a year or normal operating cycle of the business. The availability of a cash source to meet the obligation comes from cash or cash conversion from current assets.

2.1.2 Net Profit Margin

Definitions under Murhadi R. Werner (2013: 64) *Net Profit Margin* are as follows:

"Net Profit Margin reflects the company's ability to generate net profits of each sale."

Furthermore, according to Husein Umar (2014: 263) The definition of *Net Profit Margin* are as follows:

"Net profit margin *(net profit margin)* reflects management's ability to generate profit after the cost of sales, operating expenses or business, other expenses, and taxes in relation to sales."

As for the definition of *Net Profit Margin* by Kashmir (2013: 200) is as follows:

"Net Profit Margin is the ratio used to indicate the company's net income on sales".

According to Werner R. Murhadi (2013: 64) *Net Profit Margin* is calculated by the following formula:

$$\textit{Net Profit Margin} = \frac{\text{Laba setelah pajak}}{\text{Penjualan}} \text{ X } 100\%$$

Information :

- Profit after tax = Represents the total profit before tax after tax.
- Represents net sales = total sales revenue after deducting etur, commissions and discounts.

2.1.3 Stock Return

According Jogiyanto (2016: 263) Stock *Return* definition is as follows:

"Return the stock exchange for the results obtained from stock investments. "

Furthermore Irham According to Fahmi (2013: 245) explains that the Stock *Return* definition is as follows:

"Return Stocks are profits earned by companies, individuals and institutions of the results of its investments policy."

The further definition according to Jaja Suteja and Ardi Gunardi (2016: 21) definition of *Return* stock as follows:

"Return is one of the factors that motivate investors in berrinvestasi and also a reward for the courage of investors to bear risk investments."

According Jogiyanto (2016: 264) *returns* the following formula:

$$\textit{Return}\ \text{Saham} = \frac{Pt - Pt-1}{Pt-1}$$

Information :

- Pt = The share price of the current period
- $Pt-1$ = The share price the previous period

2.2 FrameWork

2.2.1 Influence Current Ratio Of Stock Return

According to Agus Sartono (2012: 116) that firms with high levels of liquidity, as reflected in *current ratio* allows to provide the return on investment or stock *returns* are good also, so this will affect the value of investments of investors of a company.

Furthermore raised by irham Fahmi (2013: 99) companies that have liquidity ratio or often commonly used current ratio *(current ratio)* high interest to investors and would also affecting stock prices tend to rise due to high demand, of course, with price conditions stocks rise will result in an increase in stock *returns.*

This is consistent with that proposed by Asmi (2014) stated that his relationship with *return* is if the current assets exceed current liabilities, then the rate of returns or *return* will be low, this is because the asset excessive indicates that the company is not able to use the assets for the activities of corporate spending. Conversely, if the current liabilities exceeded current assets then the rate of returns or *returns* will be high.

2.2.2 Influence Net Profit Margin Of Stock Return

According Yeye Susilowati (2011: 29) The increase in profit (net profit after tax) will reflect the share of profits in the form of dividends and*capital gain* by doing so, increasing *net profit margin,* then the attractiveness of investors increasing stock prices also will menigkat, as well as *the return*of its shares .

Further proposed by Ferdinand and Paulus Kindangen Eka Putra (2016), the greater the ratio of *net profit margin,* the better, because it considered the company gets high net profit. It gives confidence to investors to own shares of the company which in turn can increase stock *returns* in the future.

This is consistent with that put forward by Ni Putu and I Nyoman (2016) the higher the ratio *of net profit margin* means the profit generated by the company is also getting bigger it will attract investors to transact with the company concerned and if the company's ability to generate profits more greater then the capital market the company's stock price will also increase, so theoretically *net profit margin* has a positive effect on stock *returns.*

2.2.3 Hypotesis

Based on the formulation of the problem it can be taken a research hypothesis that is as follows:

$H_{1:}$ Current Ratio effect on stocks Return

$H_{2:}$ Net Profit Margin effect on Stocks Return

III. Research Methods

3.1 Research Methods

The method used in this research is descriptive method of verification with quantitative approach. Descriptive method itself is defined by Sugiyono (2009: 21)

> "Descriptive method is a method used to describe or analyze a research result but not used to make wider conclusions".

While understanding the method of verification by Sugiyono (2014: 8) is as follows:

> "Verifikatif method is defined as research conducted on a particular population or sample with the aim to test the hypothesis that has been set"

According Sugiyono (2013: 8) Quantitative research methods are as follows:

> "The research method based on the philosophy of positivism, used to examine the population or a particular sample, data collection using research instruments, data analysis is quantitative / statistical, with the aim to test the hypothesis that has been set".

The use of descriptive method with quantitative approach because in this research the purpose to describe the results of research without making a broader conclusion, and this study using statistical testing methods to obtain the results of the study.

3.1.1 Research Objects

According Sugiyono (2014: 38) explains that, understanding of the object of research is An attribute or the nature or value of people, objects or activities that have a certain variation set by researchers to learn and then drawn conclusions. The reason researchers choose descriptive and verifikatif method because researchers want to get answers in a fundamental and accurate. In this study, descriptive verification method is used to test the deeper Effect of *Current Ratio* and *Net Profit Margin* to *Return* Shares in coal mining subsector companies listed in Indonesia Stock Exchange by testing a hypothesis whether accepted or rejected.

3.2 Operational Variables

1. Independent Variables ($X_{1)}$
   Variable IndependenX_1 in this study were measured *current ratio* of total current assets to total current liabilities.
2. Independent Variables ($X_{2)}$
   Independent variables in this study is the variable *Net Profit Margin* is calculated from the sale after deducting all expense compared with sales tax *included.*
3. Dependent Variable (Y)
   Dependent variables in this study are *Return* Shares which is calculated using the share price of the current period less the stock price of the period before compared to the previous period's stock price.

3.3 Resources and Data Collection Techniques

3.3.1 Data Source

The data used in this research is secondary data. According Sugiyono (2014: 308) Secondary data is data sources that do not directly provide data to data collectors, such as through documents or others. The data used in this study was the announcement of *a stock split* as well as financial statements published by the Indonesia Stock Exchange through the website www.idx.com and stock price data through http://SahamOk.com/

3.3.2 Data collection technique

Data collection techniques are a necessary way of research. To support the results of research, collecting the necessary data in two ways, namely:

1. Field studies *(Field Research)*
   Field Study *(Field Research)* is collecting data directly into the field by using the techniques of data collection as follows:
   a. Documentation
      Collection, selection and processing of evidence and data relating to the field of study research reports prepared by the author.
2. Study Library *(Library Research)*
   Library research conducted as an attempt to obtain data that is theoretical as a comparison with research data obtained. The data can be obtained from literature, lecture notes and other writings related to the research. In this case the authors also use the Internet as a media search information about the theory and data research conducted.

3.4 Population And Sinple

3.4.1 Population

The population that will be studied to be studied in this study is the annual financial statements of 23 coal mining sub sector companies, listed in Indonesia Stock Exchange 2012-2015 as many as 92 financial statements**.**

3.4.2 Sampling

According Sugiyono (2014: 118) sample is part of the number and characteristics possessed by the population. Sampling in this research was done by using *non-probability sampling design* that is taken by using *purposive sampling* technique. As according to Deni Darmawan (2013: 152) states that the *purposive sampling* of respondents who have become members of the sample on the basis of its own research. sample determination criteria used in this study are as follows:

1. Coal Sub-Sector Mining Company listed on Indonesia Stock Exchange from 2012-2015.
2. Businesses decreased Stock *Return* for 2 years in a row.
3. Companies that publish annual financial statements *(annual report)* in the period 2012 to 2015 are, respectively during the period of the study because it was considered respresentatif (represent) to do research trials.

So obtained sample of 16 coal mining companies.

3.5 Method of collecting data

3.5.1 Analysis Method

According Sugiyono (2014: 224) data collection techniques is the most strategic step in the study, because the main purpose of research is to get data. The data testing tool used in this research will be explained as follows:

1. **Correlation Coefficient Analysis**

According Umi Narimawati (2011: 49), correlation testing is used to determine whether the relationship between the variables X and Y, can use correlation approach.

2. **Coefficient of Determination**

According to Imam Ghozali (2013: 97), the coefficient of determination ($R^{2)}$ essentially measures how much a model in explaining the variation of the dependent variable. The coefficient of determination is between zero and one. ^{2} small R value means the ability of independent variables in explaining the variation is very limited dependent variables. The magnitude of the coefficient of determination is calculated by using the following formula:

$$Kd = r^2 \times 100\%$$

(Umi Narimawati, 2011:50)

Information :

Kd =Koefisien Determination

r^2 =Koefisien Korelasion

3. Multiple Linear Regression Analysis

According to Umi Narimawati (2011: 5) Multiple Linear Regression Analysis is an association analysis used simultaneously to examine the effect of two or more independent variables on one variable depending on the scale of the interval.

In this study, multiple linear regression analysis is used to prove the extent of the Influence of Current Ratio and Net Profit Margin on Stock Return on Coal Mining Subsector Company.

To obtain more accurate results in multiple regression, it is necessary to test the classical assumption. There are several assumptions that must be met before using Multiple Linear

Regression as a tool to analyze the influence of the variables studied. Some of the assumptions are:

a. Normality test

Normality test is used to test whether the regression model has a normal distribution or not.

b. Multicolinearity Test

According to Husein Umar (2014: 177) defines multicollinearity test as follows: "Multicollinearity is to find out whether the regression model found a correlation between independent variables".

c. Heteroscedasticity Test

According to Husein Umar (2014: 179) defines heteroscedasticity test as follows: "Heteroscedasticity is done to find out whether in a regression model there is an inequality of variance from the residual of an observation to another observation".

d. Autocorrelation Test

According Husein Umar (2014: 182) defines the autocorrelation test as follows: "Autocorrelation is done to find out whether in a linear regression model there is a strong relationship both positive and negative between data exist in research variables".

3.5.2 Hypotesis Tesing

The research hypothesis testing to test the influence of the independent variables, namely *current ratio* (X1) and *Net Profit Margin* (X2) on the dependent variable is *Return* Stocks (Y). The steps in hypothesis analysis are as follows:

1. **Partial Hypothesis Testing (t test)**
2. **Describes Regional Acceptance and Rejection**
3. **Withdrawal Conclusion**

IV. RESULT AND DISCUSSION RESULT

4.1 Research Results

4.1.1 Effect of *Current Ratio Return* Against Subsector Shares Coal Mining Company listed on the Indonesia Stock Exchange Period 2012-2015

To determine the influence of variables on Return Equity Current Ratio, then tested the correlation analysis, analysis test of determination and partial hypothesis test (t test). So it can be massive influence on Return Equity Current Ratio more specifically.

1. **Correlation Between the *Current Ratio* with Stock *Return***

   Based on the results of *the output* of the data processing, the value of the correlation coefficient for *the Current Ratio* Stock *Return* of 0.472 which results are included in the score interval between 0.40 to 0.599. This shows that there is a fairly strong correlation between the *Current Ratio Return* on Equity. A positive result of the calculation between two variables above shows that there is a positive relationship between *the Current Ratio* Stock *Return.*

2. **Coefficient Determination Against the *Current Ratio* Stock *Return***

   Based on the correlation results obtained partial determination coefficient value of variable *Current Ratio* to *Return* Shares as follows:

   $Kd = (0.472)^2 \times 100\%$

   $= 22.2\%$

   Based on the calculations above, it appears that the influence of variables on *Return* Equity *Current ratio* is equal to 22.2%, while the remaining 77.8% is the

influence exerted by other factors not examined in this study, such as Solvency ratio, activity ratio, etc.

3. **Hypothesis test (t test) *Current Ratio Return* Against Shares**

Based on *outputSPSS* obtained $_t$ value for the *Current Ratio* (X1) of 2.749 This value will be compared with the value t $_{table}$ on the t distribution table. With the significant level α = 0.05 (5%), dk = nk- = 64-2-1 = 61, the value of t $_{table}$ of 1.999. It is known that $_t$ for X $_1$ equal to 2.749> 1.999 t $_{table,}$ then H $_{0\ is}$ rejected and H $_1$ accepted. These results also demonstrated by the significant value of a statistical test to measure *the Current Ratio* variable, amounting to 0,008, meaning a mistake to say there is an influence on *Return* only 0.1% or is smaller than the acceptable error rate of 5% so it can be decided to reject H $_{0.}$ In conclusion, the *Current Ratio* significant effect on Stock *Return* on mining subsector companies listed in Indonesia Stock Exchange in 2012-2015.

4.1.2 Influence of *Net Profit Margin Return* Against Shares Subsector Mining Company listed on the Indonesia Stock Exchange Period 2012-2015

To determine the influence of the variable *Net Profit Margin Return* on Equity, then tested the correlation analysis, analysis test of determination and partial hypothesis test (t test). So it can be massive influence on *Return Net Profit Margin* Stocks are more specific.

1. **Correlation Between *Net Profit Margin* by *Return* Shares**

Based on the results of the output of the data processing, correlation coefficient values obtained for the *net profit margin* of the Stock *Return* of 0.448 which results make the score interval between .40 to .599. This shows that there is a fairly strong correlation between the *Net Profit Margin Return* on Equity. A positive result of the calculation between two variables above shows that there is a positive relationship between the *Net Profit Margin Return* on Equity.

2. **Coefficient of Determination *Net Profit Margin Return* Against Shares**

Based on the correlation results obtained partial determination coefficient value of the variable *Net Profit Margin Return* on Equity as follows:

Kd = (0.448) ^{2} x 100%

= 20.1%

Based on the calculations above, it appears that the influence of the *Net Profit Margin* Stock *Return* is 20.1%, while the remaining 79.9% is the influence exerted by other factors not examined in this study as the debt ratio, *earnings per share, growth* and *size.*

3. **Hypothesis test (t test) *Net Profit Margin Return* Against Shares**

Based on *SPSS output* obtained $_t$ value for *the Net Profit Margin s* ebesar 2,379. This value will be compared with the value t $_{table}$ on the t distribution table. With α = 0.05 (5%), dk = nk- = 64-2-1 = 61, the value of t $_{table}$ of ± 1,999. It is known that $_t$ to X $_2$ at 2,379> 1,999 t $_{table,}$ then H0 is rejected it means the variable *Net Profit Margin* significant effect on Stock *Return.*

4.2 Discussion

4.2.1 Effect of *Current Ratio Return* Against Subsector Shares Coal Mining Company listed on the Indonesia Stock Exchange Period 2012-2015

Results of testing the hypothesis that means reject H $_o$ *Current Ratio Return* effect on stocks. The results showed the influence coefficient of determination between the *current ratio* on

stock *returns* is 22.2% *Current Ratio* indicates the condition has a dominant influence on Stock *Return,* for the remaining 77.8% influence by other factors not examined in this study such as, Solvency Ratio, Ratio Activity, and Profitability Ratio.

Further research results prove and answer the phenomenon that occurred in PT. Harum Energy Tbk and PT. Petrosa Tbk where the *Current Ratio* increased, but decreased Stock *Return* it is seen from the results of the Stock *Return* is always negative, this is caused by the high short-term liabilities that is due soon, but the current assets in the possession of not being able to meet its obligations. This has an impact on the lack of interest nvestor to buy shares so that the shares are lower accordingly *Return.* Supposedly the higher the *current ratio,* the higher the rate of return or *return* the shares, because the assets are high will give an indication of the good prospects that could trigger the company to cover short-term liabilities that is due soon, and can increase the confidence of investors to hold shares of the company which is likely to impact the stock *Return* increase.

Further research results have obtained correlation value between Current Ratio with Return Share is 0.472 means Current Ratio has a strong enough relationship with Stock Return this is seen from the correlation value is between 0.40 to 0.599 belonging to the category strong enough. Positive influence means, every increase of Current Ratio then it will increase Stock Return. According to Agus Sartono (2012: 116), the company that has liquidity level reflected from the Current Ratio allows to provide a good return rate or Return of Shares, so this will affect the value of investor investment from a company.

The results of this study explain that the Current Ratio effect on Stock Return. This is in accordance with the results of research Khairani Purnamasari, Emrinaldi Nur DP, King Adri Satriawan S (2014), Ni Luh Putu Suantari, Dr. Putu Kepramareni, Ni Luh Gde Novitasari (2016), Ajeng Ika Ariyanti (2016), Tri Laksita Asmi (2014), Tiara Mega Pratiwi (2014), Heni Istianawati, Abdul Kohar Irwanto, and Mukhamad Najib (2015) who showed the Influential Current Ratio against Stock Return

4.2.2 The Effect of Net Profit Margin on Stock Returns on Coal Mining Subsector Companies listed in Indonesia Stock Exchange Period 2012-2015.

Hypothesis testing results reject Ho which means Net Profit Margin effect on Stock Return. The result of coefficient of determination shows the influence of Net Profit Margin to stock return is 20.1% that Net Profit Margin has a non dominant influence on Stock Return because the rest 79.9% is influenced by other factors not examined in this research such as Solvency Ratio, Activity Ratio, etc.

Furthermore, the results of these studies to prove and answer the phenomenon that occurred in PT. ATPK Resources Tbk and PT. Samindo Resources Tbk where Net Profit Margin has increased, it turns out Stock Return has decreased this is seen from the Stock Return is always negative. The declining stock return is due to the rising cost of goods sold, resulting in small profits of the company, this is the effect on the lack of interest of investors to buy shares so that the stock returns come down. Should the higher Net Profit Margin means the higher the company's ability to generate profits, the high Net Profit Margin produced by the company reflects that the company has good prospects in the future, the higher the company's capital will affect the ability of companies in generating profits and can increase investor confidence to own shares of the company and that will also impact on the stock returns increase.

Further research results have obtained correlation value between Net Profit Margin with Stock Return is 0.448 means Net Profit Margin has a fairly strong relationship with Stock Return this is seen from the correlation value is between 0.40 to 0.599 which belong to the category strong enough. Positive influence means, every increase Net Profit Margin then it will increase Stock Return. this is in accordance with the theory put forward by Yeye Susilowati (2011: 29), the increase in profit (post-tax net profit) will reflect the share of profits in the form of dividends and

capital gains with so, increasing Net Profit Margin, the investor appeal increased the stock price will also increase, as well as the stock return.

The results of this study explain that Net Profit Margin effect on Stock Return. This is consistent with the results of research by Ferdinan Eka Putra and Paul Kindangen (2016), Pure Series, Muhammad Arfan and Said Musnadi (2014) and Ni Putu Anning Widar Ayu Siwa and I Nyoman Wijana Asmara Putra (2016), Anggun Amelia Bahar Putri and R. Djoko Sampurna (2012), Dewi Marlina and Eka Nurmala Sari (2009), Hayu Yolanda Utami (2013), which shows Net Profit Margin Influence on Stock Return.

V. CONCLUSIONS AND SUGGESTIONS

5.1 Conclusions

Based on the results of research and discussion that has been done, the researchers took some conclusions as follows:

1. Current Ratio has a significant effect on the Return of Shares in 16 coal mining subsector companies listed in Indonesia Stock Exchange. There is a positive relationship between Current Ratio with Stock Return means, any increase in Current Ratio then it will increase the Return of Shares, otherwise the smaller Current Ratio the Return Share will be smaller, this is because the large total assets do not guarantee asset management activities used productively . Changes in Current Ratio due to an increase or decrease in cash, accounts receivable, inventory, and short-term debt. It affects the size of the Current Ratio so that the impact on Stock Return.
2. Net Profit Margin Significantly Influence on Stock Return on 16 Coal Mining Subsector Companies listed on Indonesia Stock Exchange, there is a positive relationship between Net Profit Margin with Stock Return means, every increase Net Profit Margin then it will increase the Return of Shares and vice versa . Changes in Net Profit Margin is due to an increase or decrease in net profit, and sales, it affects Net Profit Margin and affects Stock Return.

5.2 Suggestions

Based on the conclusions that have been obtained from the results of research on Current Ratio, Net Profit Margin and Stock Return on coal mining subsidiary companies listed on the Indonesia Stock Exchange, the authors provide some suggestions as follows:

1. Practical Tips

a. For the Company

i) The Company may further optimize the Current Ratio by increasing current assets consisting of cash, receivables and inventories to cover its short-term liabilities. With the ability to cover short-term liabilities that are soon due, then the performance of the company is considered good. This will create for the company in the eyes of investors.

ii) Coal Mining Subsector Company can further increase sales and mengeseskankan burden of the company for profit received increasing. With the increase in Net Profit Margin, the company is considered to be better in generating profits so that it can attract investors to invest their funds in the company.

b. For Investors

For investors who are investing in coal mining sub sector company listed in Indonesia Stock Exchange, seen from result of research show have influence which is not dominant expected investor need to consider Current Ratio, Net Profit Margin in making investment decision in Stock Exchange to get expected Return of capital gain.

2. Academic Advice

The results of this study is expected to provide knowledge and add the latest information for the development of financial accounting, especially regarding the influence of Current Ratio and Net Proft Margin Against Stock Return. For the next researcher, it is advisable to add financial ratios or use other factors that can affect stock returns. Considering the contribution of this research, Current Ratio is 22.2% and Net Profit Margin 20.1% to Stock Return so that the rest is influenced by variables outside this research such as inflation, interest rate, exchange rate, market condition and so on. And seen from the size of the sample studied in the sub-sector of coal mining is categorized as small, for the next researcher is suggested to conduct research on other sectors that are categorized big or have a large sample size and expand the sample period and research data in order to know whether the results will be the same or not.

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LAMPIRAN
TABEL UJI SATISTIK

Tabel Multikolinearitas

Coefficient[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	Current Ratio	,780	1,282
	Net Profit Margin	,780	1,282

a.Dependent Variable: Return Saham

Uji Heteroskedastisitas

Correlations

		RS	CR	NPM
Pearson Correlation	RS	1,000	,472	,448
	CR	,472	1,000	,469
	NPM	,448	,469	1,000
Sig. (1-tailed)	RS	.	,000	,000
	CR	,000	.	,000
	NPM	,000	,000	.
N	RS	64	64	64
	CR	64	64	64
	NPM	64	64	64

Uji Autokorelasi

Uji Autokorelasi

Model	Durbin-Watson
1	1,927

Analisis Regresi Berganda

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-,027	,108		-,248	,805
	CR	,297	,108	,336	2,749	,008
	NPM	,234	,098	,291	2,379	,020

Koefesien Korelasi *Current ratio* Dengan *Return* Saham

Correlations

		CR	RS
CR	Pearson Correlation	1	,472**
	Sig. (2-tailed)		,000
	N	64	64
RS	Pearson Correlation	,472**	1
	Sig. (2-tailed)	,000	
	N	64	64

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

Koefesien Korelasi *Net Profit Margin* Dengan *Return* Saham

Correlations

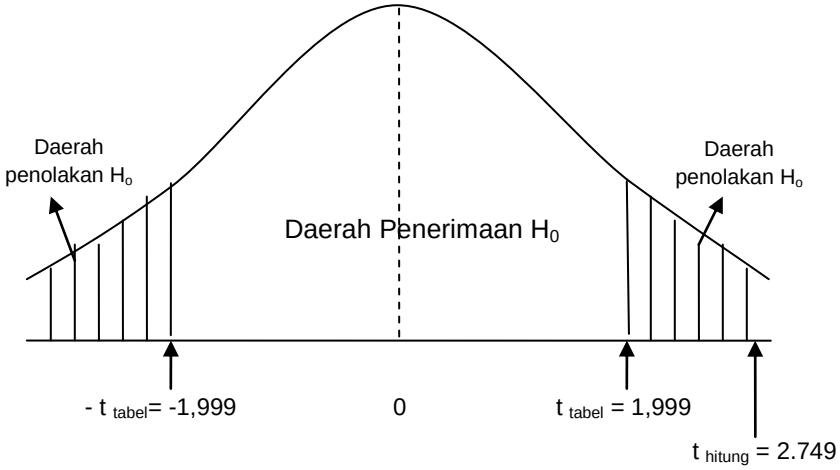
		CR	RS
CR	Pearson Correlation	1	,448**
	Sig. (2-tailed)		,000
	N	64	64
RS	Pearson Correlation	,448**	1
	Sig. (2-tailed)	,000	
	N	64	64

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

Koefesien Uji Hipotesis Parsial *Current Ratio* dan *Net Profit Margin* Terhadap *Return* Saham

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-,027	,108		-,248	,805
	CR	,297	,108	,336	2,749	,008
	NPM	,234	,098	,291	2,379	,020

Grafik Uji Hipotesis Parsial *Current Ratio* terhadap *Return* Saham



Grafik Uji Hipotesis Parsial *Net Profit Margin* terhadap *Return* Saham

