

**ANALYSIS OF THE EFFECT
DEBT TO EQUITY RATIO (DER), RETURN ON EQUITY (ROE), AND
PRICE EARNING RATIO (PER) TO STOCK PRICE THROUGH
DIVIDEND POLICY AS INTERVENING VARIABLE (Empirical**

**Study on Food and Beverages Sector Companies on the
Indonesia Stock Exchange for the 2017-2021 Period)**

Ahmad Azmil Marrom^{1*}, Ronny Malavia Mardani², Ety Saraswati³

Management Study Program, Faculty of Economics and Business, Islamic University of Malang
Ahmadazmy14@gmail.com

ABSTRACT

This study aims to examine the effect of Debt to Equity Ratio, Return on Equity, and Price Earning Ratio on stock prices through dividend policies. This research is an Explanatory Research research using quantitative methods. The population in this study is all companies in the Food and Beverages sector on the Indonesia Stock Exchange for the 2017-2021 period. The sampling technique uses the purposive sampling method. The sample in this study was 18 companies. The data used in the study is secondary data taken on the official website of the Indonesia Stock Exchange. Data analysis using SPSS 25.0 analysis. with the aim of testing the effect of Debt to Equity ratio (X1), Return on Asset (X2), Price Earning Ratio (X3) and Dividend Policy proxied to Dividend Payout Ratio (Z) on share price (Y2) . This study has the results of Return on Equity and Dividend Policy having a direct significant effect on stock prices. Meanwhile, the Debt to Equity ratio and Price Earning Ratio indirectly have no effect on the stock price. The results of this study also show that Return on Equity indirectly affects and significantly affects stock prices through dividend policy, this shows that dividend policy is able to mediate the influence of Return on Equity on stock prices. Meanwhile, the Debt to Equity ratio and Price Earning Ratio indirectly have no effect and are significant to the stock price through the dividend policy, this shows that the dividend policy is unable to mediate the Debt to Equity ratio and Price Earning Ratio to the stock price.

Keywords: Stock Price, Debt to Equity Ratio, Return on Equity, Price Earning Ratio, Dividend Policy

INTRODUCTION

The decision of an investor to buy or sell shares is greatly influenced by the financial condition of a company or also known as the fundamental condition of the company. Companies that have good performance will receive special attention from users of financial information. Users of financial information will try to optimally conduct fundamental analysis through financial statements which include how the company's long-term performance is, how much profit in each sale, how much profit in each share, management effectiveness in managing company assets and other fundamental analysis (Darmadji, 2015).

Investors expect a low price on each purchase of their shares and want to make high profits when selling their shareholdings. But in reality, when investors want high profits, it is necessary to sacrifice high costs as well. The stock price is influenced by internal aspects and external aspects. Stock price is a benchmark that investors use to assess whether they are able

to manage their company. The high and low of the stock price reflects the good and bad condition of the company. However, keep in mind that investors prefer stocks of companies whose prices are not too volatile because stocks whose prices with high volatility pose a high risk for investors, especially for investors who want to invest in the long term.

In addition to estimating the value of key factors through financial ratios, investors are often interested in the company's dividend policy. Because the main purpose of investors investing in the capital market is to get dividends from the companies in which investors invest in them, as well as to get a high return on equity through capital gains. According to Modigliani and Miller, Luke (2003:287), an increase in dividends is often a "signal" to investors that company management predicts good dividend earnings in the future. In signaling theory, this signal causes a market reaction because investors have a positive view of the company's future, possibly in the form of changes in stock prices. The dividend policy provides information about the company's operations and results, so each company has its own dividend policy. The company's dividend policy is understood from the dividend distribution ratio. The dividend payout ratio is how much profit a company can hold as a source of capital. Having a larger amount of current income in the company means there will be less money available to pay dividends at this time. Thus, an important aspect of a company's dividend policy is determining the proper allocation of profits between dividend payments and the addition of the company's retained earnings (Horne Van, James C. and John M., 2007: 270).

This research examines food and beverages companies are companies engaged in the food and beverage sector, this company is one of the industrial sector categories on the Indonesia Stock Exchange (IDX) which has the opportunity to grow rapidly, along with the increasing number of Indonesian people, the volume of needs for food and beverages continues to increase. The tendency of Indonesians to consume fast food has caused many new companies to emerge in the food and beverage industry. This can be seen from the number of food and beverages industries in Indonesia which are increasing and growing, especially since entering a prolonged crisis and causing conditions that make competition in this industry (Rosita and Gantino, 2017: 2)

Consumer goods are an important industry for the development of the country's economy. This is inseparable from companies engaged in the Indonesian consumer goods industry. The consumer goods industry has a role in increasing the income of a country (Fitri and Yahya, 2016: 2).

Based on the phenomenon described above, the researcher took the title "**Analysis of the effect of Debt to Equity Ratio (DER), Return on Equity (ROE), and Price Earning Ratio (PER) on Stock Prices through Dividend Policy as an Intervening Variable (Empirical Study of Food and Beverages Sector Companies on the Indonesia Stock Exchange for the 2017-2021 Period)**".

THEORETICAL BASIS

Share Price

Putri (2015), The share price is the value of a stock letter that reflects the wealth of the company that issued the shares, where changes and fluctuations are largely determined by the forces of demand and supply that occur in the exchange market (secondary market). The share

price of a company has its own significant value; If the share price of a company is high, then the company has the opportunity to attract additional investments from investors as a result of the growth of its share price. For investors, if the share price of a company continues to increase, investors will conclude that the company has a good performance (Samsul, 2006).

Debt to Equity Ratio

Debt to equity ratio is an indicator to measure a company's stable operating ability and is measured by taking into account the ability of a company to repay its debts. Therefore, if the value of the debt to equity ratio increases, the dividends to be distributed to shareholders will decrease, because the profits obtained by the company are used to pay debts. On the other hand, if the value of the debt to equity ratio is smaller, the dividends that will be distributed will be greater, because the profit used to pay the company's debt is getting smaller (Zakaria, 2021).

Return on Equity

Hery (2016:107), Return on Equity is a ratio that shows how much equity contributes in creating net income. The higher the return on equity means the higher the amount of net profit generated from each dollar of funds embedded in the equity. Hantono (2015: 12), Return on Equity is a ratio that shows the level that a business owner earns from the capital that has been spent on the business.

Price Earning Ratio

Price Earning Ratio (PER) is a comparison between price per share and Earnings per Share (EPS). Price Earning Ratio (PER) is used to determine the fair price of a company's shares. The higher the PER value, the more expensive it should be and vice versa, if the PER is smaller, then the stock price is in a cheaper state than it should be. The PER ratio will tend to influence investors' decision to buy stocks. If the offer of shares is high, then the share price will also increase (Nainggolan et al., 2019).

HIPOTHESIS

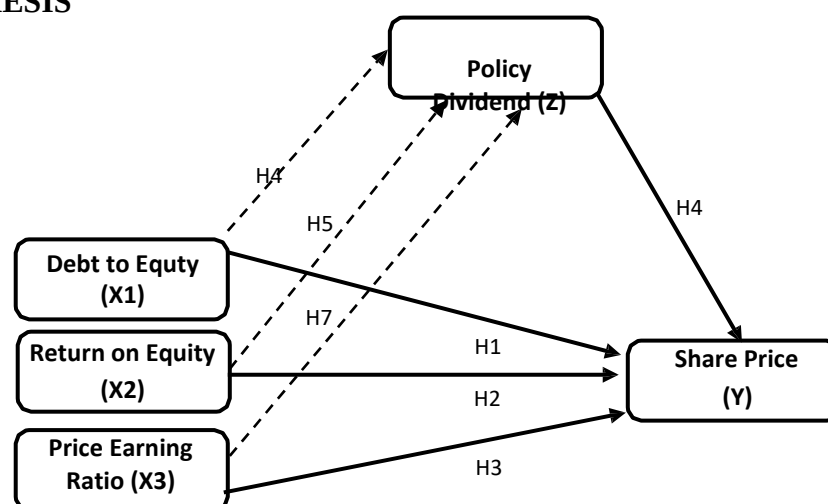


Figure 2. 1 Conceptual Framework

H1 : Debt to Equity Ratio has a significant effect on Stock Price

H2 : Return on Equity has a significant effect on Stock Price

H3 : Price Earning Ratio has a significant effect on the Stock Price

H4 : Dividend Policy has a significant effect on Stock Price

H5 : Debt to Equity Ratio has a significant effect on the Stock Price through dividend policy

H6 : Return on Equity has a significant effect on the Stock Price through dividend policy

H7 : Price Earning Ratio has a significant effect on Stock Price through dividend policy

Types of Research

The type of research used in this study is explanatory research. Sugiyono (2017: 6), explanatory research is a research method that intends to explain the position of the variables studied and the influence between one variable and another. This research includes quantitative research because it looks for influences between two or more variables and this research is in the form of numbers that will be analyzed using statistics.

Data Types and Sources

In this study, the data used was quantitative data. Quantitative data is data that can be searched or calculated directly in the form of information or interpreted into numbers. Generally, quantitative data will produce explanatory results in the form of numeric and will be processed through statistical methods. The data source used in this study is secondary data (datasekunder). Secondary data is an existing data such as a book and also a report, both published and not published in general (Sugiyono, 2010). In this study, the secondary data used is a financial report from a manufacturing company in the consumer goods industry sector listed on the Indonesia Stock Exchange in the 2015-2019 period. The secondary data can be obtained through the Indonesia Stock Exchange website, namely www.idx.co.id, as well as the sites of each company.

Population

The population used in this study is all Food and Beverages sector companies listed on the Indonesia Stock Exchange for the 2017-2021 period, namely 72 companies.

Sample

The sample selection criteria in this study are:

1. Focused on stocks of Food and Beverages sector companies consistently during the 2017-2021 observation period
2. The company consistently reports financial statements during the period 2017-2021
3. Companies that make a profit during the observation period
4. Companies that distribute dividends during the 2017-2021 period. So that companies that do not pay dividends in a given year during the research period will be excluded from the sample.

RESULTS AND DISCUSSION

Data Normality Evaluation Test

Through the results of the tests that have been carried out, it can be known if this study has Asymp.Sig results of 0.094. Based on the results of the data normality evaluation test on the regression equation 1 shows that the pvalue value (Asymp.Sig.) of all variables is $0.094 > 0.05$. Therefore, it can be concluded that the data used in this study are normally distributed. From the results of the data normality evaluation test that has been carried out, it can be interpreted if the overall research model can be said to be good.

Table 1. Results of the Normality Evaluation Test of Regression Equation Data 1

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		75
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.21587197
Most Extreme Differences	Absolute	.095
	Positive	.095
	Negative	-.063
Test Statistics		.095
Asymp. Sig. (2-tailed)		.094 ^c

Through the results of the tests that have been carried out, it can be known if this study has Asymp.Sig results of 0.000. Based on the results of testing the normality evaluation of data on the regression equation 2 shows that the pvalue value (Asymp.Sig.) of all variables is $0.000 > 0.05$. Therefore, it can be concluded that the data used in this study are abnormally distributed. Chris Brooks (2008:164) posits that in the study of economic or financial data, quite often it happens that one or two very extreme residues cause a rejection of the assumption of normality so that when the data is not normally distributed it is understandable.

Table 2. Regression Normality Data Normality Evaluation Test Results 2

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		75
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	26.42066439
Most Extreme Differences	Absolute	.293
	Positive	.293
	Negative	-.131
Test Statistics		.293
Asymp. Sig. (2-tailed)		.000 ^c

Multicollinearity Evaluation Test

The multicollinearity test is used to test whether a regression model finds a relationship between free variables. If the VIF value < 10 then multicollinearity does not occur, if the VIF value > 10 then multicollinearity occurs. The results of the regression calculation of the multicollinearity test in model 1 are as follows:

Table 3. Multicollinierity Evaluation Test Results Regression Equation 1

Type	Unstandardized Coefficients		Coefficients ^a			Collinearity Statistics	
	B	Std. Error	Standardized Coefficients Beta	t	Sig.	Tolerance	VIFs
1 (Constant)	.259	.082		3.168	.002		
DER	-.049	.051	-.108	-.945	.348	.952	1.050
ROE	.638	.352	.207	1.813	.074	.961	1.040
PER	.004	.003	.174	1.506	.136	.938	1.066

a. Dependent Variable: Dividend Policy

Based on Table 4. 4 VIF values on DER (X1) of $1.050 < 10.00$, ROE (X2) of $1.040 < 10.00$ and PER (X3) of $1.066 < 10.00$. Based on the results of the multicollinarity test above, it can be concluded that DER, ROE, and PER do not occur multicollinearity.

Table 4. Multicollinierity Evaluation Test Results Regression Equation 1

Type	Unstandardized Coefficients		Coefficients ^a			Collinearity Statistics	
	B	Std. Error	Standardized Coefficients Beta	t	Sig.	Tolerance	VIFs
1 (Constant)	4.961	10.776		.460	.647		
DER	-4.037	6.365	-.070	-.634	.528	.940	1.064
ROE	140.024	44.380	.353	3.155	.002	.919	1.088
PER	.199	.326	.069	.611	.543	.909	1.100
Dividend Policy	16.280	14.628	.126	1.113	.270	.889	1.124

a. Dependent Variable: Stock Price

Based on Table 4. 5 VIF values on DER (X1) of $1.064 < 10.00$, ROE (X2) of $1.088 < 10.00$, PER (X3) of $1.100 < 10.00$ and Dividend Policy of $1.124 < 10.00$. Based on the results of the multicollinearity test above, it can be concluded that DER, ROE, PER and Dividend Policy do not occur multicollinearity.

Heteroskedasticity Test

In a good regression model, it usually does not experience heteroskedasticity. The statistical test used is the Glejser Test through the regression of absolute residual values with their independent variables. The sig value is compared to 0.05. The statistical results can be seen in table 5 that the significance values of the variables DER (X1), ROE (X2), and PER (X3) are greater than 0.05 so it can be concluded that the data does not experience heteroskedasticity.

Table 5. Heteroskedasticity Test Results of Regression Equation 1

Type	Unstandardized Coefficients		Coefficients ^a		Sig.
	B	Std. Error	Beta	t	
1 (Constant)	.195	.047		4.103	.000
DER	-.028	.030	-.110	-.926	.357
ROE	-.244	.204	-.140	-1.193	.237
PER	.002	.002	.168	1.411	.163

a. Dependent Variable: Abs_RES1

Table 5. Heteroskedasticity Test Results of Regression Equation 1

on the regression of equation 2. The sig value is compared to 0.05. The statistical results can be seen in table 6 that the significance values of the variables DER (X1), ROE (X2), and PER (X3) are greater than 0.05 so it can be concluded that the data does not experience heteroskedasticity.

Table 5. Heteroskedasticity Test Results of Regression Equation 2

Type		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
1	(Constant)	16.802	6.415		2.619	.011
	DER	-1.867	3.790	-.059	-.493	.624
	ROE	11.649	26.422	.053	.441	.661
	PER	-.108	.194	-.068	-.556	.580
	Dividend Policy	14.939	8.709	.211	1.715	.091

a. Dependent Variable: Abs_RES2

Multiple Linear Regression Analysis

Table 6. Results of Multiple Linear Regression Analysis Regression Equation 1

Type		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
1	(Constant)	.259	.082		3.168	.002
	DER	-.049	.051	-.108	-.945	.348
	ROE	.638	.352	.207	1.813	.074
	PER	.004	.003	.174	1.506	.136

a. Dependent Variable: Dividend Policy

Table 7. Results of Multiple Linear Regression Analysis Regression Equation 2

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients		
Type		B	Std. Error	Beta	t	Sig.
1	(Constant)	4.961	10.776		.460	.647
	DER	-4.037	6.365	-.070	-.634	.528
	ROE	140.024	44.380	.353	3.155	.002
	PER	.199	.326	.069	.611	.543
	Dividend Policy	16.280	14.628	.126	1.113	.270

a. Dependent Variable: Stock Price

In the table "Coefficients" above can be explained about the equation of double regression in this study. The formula of the regression equation in this study is as follows:

$$Z = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

$$Z = 0.259 - 0.049X_1 + 0.638X_2 + 0.004X_3$$

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 Z + \varepsilon$$

$$Y = 4,961 - 4,037X_1 + 140,024X_2 + 0.199X_3 + 16,280Z$$

From the regression equation above, then the conclusions that can be explained are as follows:

a. Regression Equation 1

1. A constant value (α) of 0.259 with a positive sign states that if the variables DER, ROE, and PER are considered constant then the value of Z is 0.259.
2. The value of the regression coefficient of the DER variable (X_1) of -0.049 with a negative sign indicates an opposite relationship between the stock price and the DER if the DER variable states that if the DER level rises by one unit assuming the other free variables are constant, then the dividend policy proxied by the *divident payout ratio* will decrease by 0.049.
3. The value of the regression coefficient of the variable ROE (X_2) of 0.638 with a positive sign states that if the ROA level rises by one unit assuming the other free variables are constant, then the dividend policy proxied by the *divident payout ratio* will increase by 0.638
4. The value of the PER (X_3) variable regression coefficient of 0.004 with a positive sign states that if the EPS rate rises by one unit assuming the other variables are constant, then the dividend policy proxied by the *divident payout ratio* will increase by 0.004.

b. Regression Equation 2

1. The constant value (α) of 4,961 with the positive sign states that if the variables ROE, ROA, and EPS are considered constant then the value of Y is 4,961.
2. The value of the DER variable regression coefficient (X_1) of -4,037 with a negative sign states that if the ROE level rises by one unit assuming the other free variable is constant, then the stock price will fall by -4,037.

3. The value of the ROE variable regression coefficient (X2) of 140,024 with a positive sign states that if the ROA level rises by one unit assuming the other free variables are constant, then the stock price will increase by 140,024.
4. The value of the PER variable regression coefficient (X3) of 0.199 with a positive sign states that if the EPS level rises by one unit assuming the other free variable is constant, then the stock price will increase by 0.199.
5. The value of the variable regression coefficient The dividend policy proxied to the dividend payout ratio (Z) of 16,280 with a positive sign states that if the EPS rate rises by one unit assuming the other free variable is constant, then the stock price will increase by 16,280.

Path Analysis

a. Direct Effect of Debt to Equity Ratio (X1) on Share Price (Y)

Based on the track analysis diagram, it shows that there is a direct influence of Debt to Equity Ratio (X1) on Stock Price (Y) in food and beverages sector companies, obtained a value of -0.119. This means that the effect exerted by the Debt to Equity Ratio on the share price is very low. Based on the results of the t test, the significance value of the Debt to Equity Ratio (X1) variable was 0.327. From the t test that has been carried out, the hypothesis is rejected because the Debt to Equity Ratio does not have a significant effect on the stock price. Because it is greater than the standard significance value of 0.05, the Debt to Equity Ratio (X1) variable does not directly have a significant effect on the Stock Price variable (Y).

b. Direct effect of Return on Equity (X2) on share price (Y)

Based on the path analysis diagram, it shows that there is an effect of Return on Equity (X1) directly affecting the Stock Price (Y) in food and beverages sector companies, obtained a value of 0.385. This means that the effect exerted by Return on Equity on the share price is low. Despite its low effect, the hypothesis is accepted because the Return on Equity (X1) still has a positive and significant effect on the Share Price (Y). Based on the results of the t test, the significance value of the Return on Equity (X1) variable was obtained by 0.001. Because it is smaller than the standard significance value of 0.05, the Return on Equity (X1) variable directly affects the Stock Price variable (Y).

c. Direct effect of Price Earning Ratio (X3) on stock price (Y)

Based on the path analysis diagram, it shows that there is an effect of Price Earning Ratio (X3) directly affecting the Stock Price (Y) in food and beverages sector companies, obtained a value of 0.114. This means that the effect exerted by the Price Earning Ratio on the stock price is very low. This means that the effect exerted by the Price Earning Ratio on the stock price is very low. From the partial test that has been carried out, the hypothesis is rejected because the Price Earning Ratio does not have a significant effect on the Stock Price. Based on the results of the t test, the significance value of the Price Earning Ratio (X1) variable was 0.347. Because it is greater than the

standard significance value of 0.05, the variable Price Earning Ratio (X2) directly has no effect on the Stock Price variable (Y).

d. Direct effect of dividend policy (Z) on share price (Y)

Based on the path analysis diagram, it shows that there is an effect of Dividend Policy (Z) directly affecting the Share Price (Y) in food and beverages sector companies, obtained a value of 0.315. This means that the effect exerted by the Debt to Equity Ratio on the share price is low. Despite its low effect, the hypothesis is accepted because the Dividend Policy still has a positive and significant effect on the Stock Price. Based on the results of the t test, the significance value of the dividend policy variable (X1) was obtained at 0.008. Because it is smaller than the standard significance value of 0.05, the dividend policy variable (Z) directly affects the stock price variable (Y).

e. Indirect effect of Debt to Equity Ratio (X3) on share price (Y) through dividend policy (Z)

Based on the track analysis diagram, it shows that there is an indirect influence of Debt to Equity Ratio (X1) on Stock Price (Y) through dividend policy (Y) in food and beverages sector companies, obtained a value of -0.031. This means that the effect exerted by the Debt to Equity Ratio on Stock Prices through the Dividend Policy tends to be low. Based on the results of the t Test, the significance value of the Debt to Equity Ratio variable to the Stock Price through the Dividend Policy of 0.417 was obtained, so the hypothesis was rejected because it was greater than the standard significance value of 0.05, this shows that the Debt to Equity Ratio variable indirectly has no effect on the Stock Price through the Dividend Policy. Then the dividend policy (Z) is not able to mediate Debt to Equity (X1) against the share price (Y).

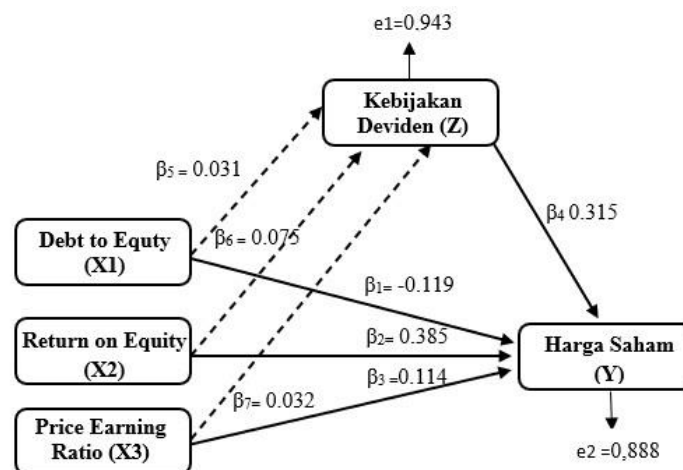
f. Indirect effect of Return on Equity (X3) on share price (Y) through dividend policy (Z)

Based on the path analysis diagram, it shows that there is an effect of Return on Equity (X2) on Stock Price (Y) through dividend policy (Y) in food and beverages sector companies, obtained a value of 0.075. This means that the influence exerted by Return on Equity on the Share Price through the Dividend Policy is very low. Although the effect is very low, the hypothesis is accepted because the Return on Equity is still tested to have a positive and significant effect on the Share Price through the Dividend Policy. Based on the results of the t Test, the value of the significance of the Return on Equity variable to the Share Price through the Dividend Policy was 0.046. Because it is smaller than the standard significance value of 0.05, the variable Return on Equity (X2) indirectly has a significant effect on the Share Price (Y) through the Dividend Policy (Z). This shows that there is a quasi-mediation because the dividend policy (Z) is able to mediate the Return on Equity (X2) against the share price (Y).

g. Indirect effect of Price Earning Ratio (X3) on stock price (Y) through dividend policy (Z)

Based on the path analysis diagram, it shows that there is an effect of Price Earning Ratio (X3) on Stock Price (Y) through dividend policy (Y) in food and beverages sector companies, obtained a value of 0.032. Based on the results of the t Test, the significance value of the Price Earning Ratio (X3) variable to the Stock Price through the Dividend Policy of 0.397 was obtained, so the hypothesis was rejected because it was greater than the standard significance value of 0.05, this shows that the Price Earning Ratio (X3) variable indirectly has no effect on the Stock Price through the Dividend Policy. Therefore, the dividend policy (Z) is unable to mediate the Price Earning Ratio (X3) against the share price (Y).

Figure 2. Path Analysis Test Results



CONCLUSION

This study analyzes the effect of *Debt to Equity Ratio* (DER), *Return on Equity* (ROE), and *Price Earning Ratio* (PER) on stock prices through dividend policies listed on the Indonesia Stock Exchange for the 2017-2021 period. Based on the analysis and discussion that has been given in the previous chapter. Based on the results of the research of the previous chapter, the following conclusions can be drawn:

1. The *Debt to Equity Ratio* directly does not affect the share price of Food and Beverages sector companies for the 2017-2021 period. This indicates that the significance value of the Debt to Equity Ratio (X1) variable is greater than the standard significance value, so the *Debt to Equity Ratio* (X1) variable does not directly have a significant effect on the Stock Price variable (Y).
2. *Return on Equity* directly affects the share price of Food and Beverages sector companies for the 2017-2021 period. This indicates that the significance value of the Return on Equity (X2) variable is smaller than the standard significance value, so the *Return on Equity* variable (X2) directly affects the Stock Price variable (Y).
3. The *Price Earning Ratio* directly does not affect the share price of Food and Beverages sector companies for the 2017-2021 period. This indicates that the significance value of the Price Earning Ratio (X3) variable is greater than the standard significance value, so the *Price Earning Ratio* (X3) variable does not directly have a significant effect on the Stock Price variable (Y).
4. The dividend policy directly affects the share price of Food and Beverages sector companies for the 2017-2021 period. This indicates that the significance value of the dividend policy

variable (X1) is smaller than the standard significance value, then the dividend policy variable (Z) directly affects the stock price variable (Y).

5. *The Debt to Equity Ratio* (X1) indirectly has no effect on the share price (Y) through the dividend (Z) policy for food and beverages sector companies for the 2017-2021 period. This shows that the significance value of the Debt to Equity Ratio (X1) variable to the Share Price through the Dividend Policy is greater than the standard significance value, so the *Debt to Equity Ratio* (X1) variable indirectly does not have a significant effect on the Stock Price through the Dividend Policy. This shows that dividend policy is unable to mediate *Debt to Equity* against the stock price.
6. *Return on Equity* (X2) indirectly affects the share price (Y) through the dividend policy (Z) in food and beverages sector companies for the 2017-2021 period. This shows that the significance value of the Return on Equity (X2) variable to the Stock Price (Y) through the Dividend Policy (Z) is smaller than the standard significance value, then the *Return on Equity* (X2) variable indirectly has a significant effect on the Share Price (Y) through the Dividend Policy (Z). This shows that dividend policy is able to mediate *Return on Equity* to stock prices.
7. *Price Earning Ratio* (X3) indirectly has no effect on stock prices through dividend policies in Food and Beverages sector companies for the 2017-2021 period. This shows that the significance value of the variable Price Earning Ratio (X3) to the Share Price (Y) through the Dividend Policy (Z) is greater than the standard significance value, then the variable *Price Earning Ratio* (X3) indirectly does not have a significant effect on the Stock Price (Y) through the Dividend Policy (Z). This shows that dividend policy is unable to mediate the *Price Earning Ratio* against the stock price.

Subsequent researchers interested in following up on research that takes on the same topic are expected to increase the number of indicators that affect stock prices such as EPS, dividends and several other indicators that have not been included in this study. This research is still limited to the research period, namely 2010-2016 so that for subsequent researchers it is recommended to add and update the research period so that it can produce

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