

ABSTRACT

This study aims to obtain empirical evidence about the effect of Return on Equity, Current Ratio, and Debt to Equity Ratio on stock prices. In general, a company is described by the condition of the development of the company's stock price in the capital market. The higher the stock price of a company, the higher the value of the company. Stock price is also an important indicator in a company, this shows how much investor interest in investing funds in one company. Through this study measurements will be made to the ratio of Return on Equity, Current Ratio, and Debt to Equity Ratio. In addition, this study will evaluate the effect of the variable Return on Equity, Current Ratio, and Debt to Equity Ratio on stock prices in 10 banking companies with the largest equity period 2014-2018 in Indonesia.

Data collection is carried out by means of documentation of data sourced from audited financial statements and published through the Indonesia Stock Exchange. Based on sample collection using the saturated sample technique, obtained the number of samples from this study as many as 10 banking companies with the largest equity in the 2014-2018 period in Indonesia.

Based on the test results using Eviews 9 software, simultaneous independent variables divided into Return on Equity, Current Ratio, and Debt to Equity Ratio have a significant effect on stock prices. Based on the partial test results, the results show that the Return on Equity variable has a significant positive effect on stock prices. then the Current Ratio variable has no significant effect on stock returns. While the Debt to Equity Ratio variable has a negative influence on stock prices.

Based on the results of the study, to obtain a good stock price, a company must obtain a high profit which can later add value to the company itself due to good company performance. The high share price is caused by the increased demand for company shares that occurs due to the company's activities and the increase in the company's net profit. However, not a few companies also experienced an increase in profits but their share prices declined.

Keywords: Current Ratio, Debt to Equity Ratio, Return on Equity and Stock Prices