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The Effect of Liquidity, Profitability, Firm Size and Sales Growth on Stock Returns (Empirical Study of Manufacturing Companies in the Goods and Consumer Sector Listed on the Indonesia Stock Exchange in 2018-2021)

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ABSTRACT: *Stock return is a yield obtained by investors from the capital invested in the stock market. The stock return that they will get from investment activities becomes an important thing for investors, so investors must predict this to get the stock return they expect. This study aims to analyze the effect of liquidity, profitability, firm size and sales growth on stock returns in consumer goods manufacturing companies listed on the Indonesia Stock Exchange in 2018-2021. This study uses a quantitative research approach, using secondary data obtained from the official IDX website, namely www.idx.co.id and the company's official website. Sampling in this study using purposive sampling method. From this method obtained 115 samples from 30 companies that meet the criteria. The analytical method used is multiple linear regression analysis using SPSS 26 software. The results of this study indicate that the variables liquidity and profitability do not affect stock returns, while the variables firm size and sales growth affect stock returns.*

Keywords: *Liability; Profitability; Firm Size; Sales Growth; Stock returns.*

I. INTRODUCTION

The development of a country's economy can be measured by the level of development of the capital market, so that the capital market has a fairly important role in a country. At present the Indonesian economy is experiencing a lot of progress, especially in the capital market sector, this is evidenced by the increasing number of companies listed on the Indonesia Stock Exchange. The capital market is a bridge that connects the owners of funds (investors) and users of funds (issuers). For investors, the capital market is used for investment purposes with the aim of earning income in accordance with the level of return and level of risk faced. Meanwhile, for issuers, the capital market is useful for expansion which aims to raise long-term funds for the development and survival of the companies they own.

According to Data from the Indonesian Central Securities Depository (KSEI) until August 2022 the number of capital market investors exceeded 9.54 million investors, this number shot up 27.38% compared to December 2021 of 7.48 million investors. This shows that public awareness to invest is increasing. One type of investment that is most in demand by investors in the capital market is stock investment. Stock investment is an investment activity by submitting a number of funds by the investor, so that the investor can claim the company's assets and income and has the right to attend the general meeting of shareholders. From stock

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investment activities, of course, investors expect a stock return. Where stock returns are returns obtained by investors from capital invested in the stock market (Kusmayadi et al., 2018). The higher the company's stock return value, the better the company's image will be and can attract investors to invest in the company (Januardin et al., 2020).

However, not all companies can provide stock returns as expected by investors. The profit or stock return that they will get from investment activities becomes an important thing for investors, so investors must predict the stock return to get the stock return they expect. In predicting stock returns, of course there are factors that influence stock returns, so there are many things that must be considered by investors. In this study there are several things that can be taken into consideration by investors in predicting stock returns including liquidity, profitability, firm size and sales growth.

This research is important to do in order to support existing research in previous studies. The results of research on stock returns show inconsistent or different results between one study and another. For the inconsistency of the results of these studies, it encourages researchers to conduct this research to obtain data and results that can be accounted for in the future. Based on this background, the authors are interested in conducting research entitled, "The Influence of Liquidity, Profitability, Firm Size and Sales Growth on Stock Returns (Empirical Study of Manufacturing Companies in the Consumer Goods Sector Listed on the Indonesia Stock Exchange in 2018-2021)".

II. MATERIAL AND METHODS

2.1. Material

2.1.1. Signal Theory

Signal theory suggests how a company should give signals to external parties. This signal is in the form of information about what has been done by management to realize the wishes of the owner. Signal theory emphasizes the importance of information issued by the company to investment decisions outside the company. Therefore, companies need to provide signals to external parties in the form of reliable, relevant and timely financial reports so as to reduce uncertainty about the company's prospects in the future (Razak & Syafitri, 2018). According to Sharpe, et al. (1997:211) the announcement of accounting information gives a signal that the company has good prospects in the future (good news) so that investors are interested in trading shares, thus the market will react which is reflected through changes in the volume of stock trading. Published information can be used as a reference for investors when investing so that before making an investment decision, of course, investors will conduct an analysis of information to minimize the risks that will be faced and predict what will happen in the future, so that investors can get the best possible return.

2.1.2. Stock Returns

In investing in stocks, what investors expect is to maximize stock returns, without forgetting the investment risk factors they must face. Stock return is a rate of return either profit or loss from investment activities that can describe changes in the price of a stock. According to Tandelilin (2010: 102) stock return is one of the factors that motivates investors to invest and is also a reward for the courage of investors to take risks on the investments made. It can be concluded that stock returns are the results obtained by investors for their investments. According to Tandelilin (2001:48) stock return consists of two components, namely: a). Capital gain/loss is a decrease and increase in stock prices that can provide benefits for investors. In other words, capital gains can also be interpreted as changes in security prices. b). Yield, namely the income or cash flow received by investors periodically, for example in the form of dividends or interest, the yield is expressed as a percentage of the invested capital.

2.1.3. Liquidity

The liquidity ratio is used to measure a company's ability to meet its obligations or pay its short-term debt. To perform an analysis of the level of company liquidity in this study using the current ratio (CR). The current ratio shows the extent to which current assets cover current liabilities. The greater the ratio of current assets and

current liabilities, the higher the company's ability to cover its short-term liabilities. The higher the company's ability to pay off its obligations means the smaller the liquidation risk experienced by the company, in other words, the smaller the risk that must be borne by the company's shareholders. This will increase the credibility of the company in the eyes of investors so as to increase its stock returns. This is evident from research conducted by Sunardi (2019) and Noviyanti & Yahya (2017) which shows the results that the current ratio has a positive and significant effect on stock returns. Based on the description above, the hypothesis can be formulated as follows:

H_1: Liquidity affects stock returns

2.1.4. Profitability

Profitability is used to find out how far a company is able to generate profits or a measure of the effectiveness of company management. The company's ability to earn profits can be measured from its own capital and all funds invested in the company. Profitability in this study is proxied by Return On Assets (ROA). ROA measures a company's ability to generate net income based on a certain level of assets. The higher the ROA, it can be interpreted that the more effective a company is in utilizing its assets to generate net profit after tax. With an increasing ROA, the company's profitability is getting better, so that it can attract the attention of potential investors to invest. Companies that can generate large profits tend to have high stock prices so that investors will also get high returns. This statement is supported by research conducted by Purba (2019) and Sunardi (2019) which shows the results that ROA has a positive and significant influence on stock returns. Based on the description above, the hypothesis can be formulated as follows:

H_2: Profitability has an effect on stock returns

2.1.5. Firm Size

Firm size has a function to measure the size of a company using total assets, sales and company capital. The larger the size of a company, the greater the profit that can be generated by the company. Companies that have high profits will distribute profits in the form of dividends to investors. Dividend distribution by the company aims to attract investors to buy company shares. In addition, the larger the size of the company is considered to be superior in terms of wealth and performance owned, so that the level of investor confidence to buy company shares increases. This can cause an increase in market reaction to the shares of companies that have a large size, so that increased stock trading volume causes stock returns to also increase. According to research conducted by Dimaranty, et al (2019) and Yuliantari & Sujana (2014) revealed that firm size has an effect on stock returns. Based on the description above, the hypothesis can be formulated as follows:

H_3: Firm size has an effect on stock returns

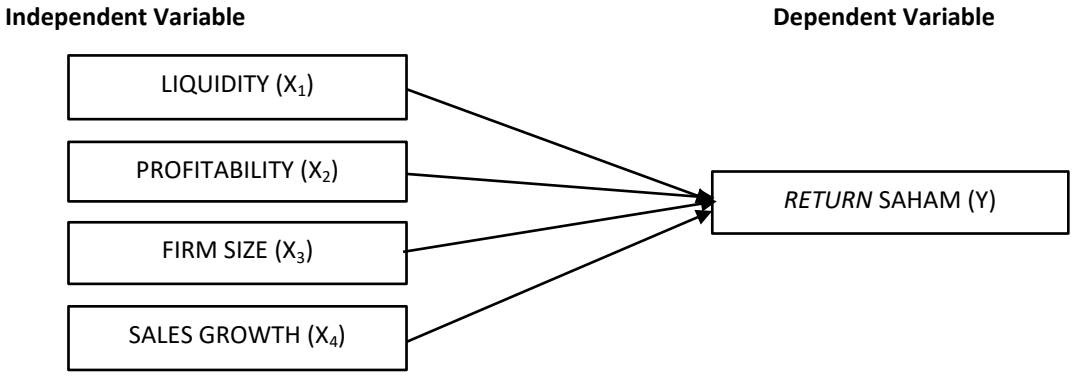
2.1.6. Sales Growth

Sales growth shows the level of operational success of a company in the past period and is used as a reference to predict growth in the future period. Sales growth is a comparison of the current year's sales with the previous year's sales. If the comparison value is getting bigger, it can be said that the sales growth rate is getting better and can increase the stock returns distributed to shareholders in a company. Companies that experience high sales growth will also get higher profits that will be obtained by the company, so that the company can cover all costs incurred by the company's operations. This can give a signal to investors so that they are interested in buying shares, the higher the interest of investors to buy shares, the higher the stock price so that investors get the expected return. Empirical evidence regarding the effect of sales growth on stock returns with research conducted by Lenny & Sipayung (2022) and Herianto & Majidah (2020) which shows that sales growth has a positive effect on stock returns. Based on the description above, the hypothesis can be formulated as follows:

H_4: Sales growth has an effect on stock returns

2.1.7. Conceptual Framework

Based on the description above, the overall picture of the influence of liquidity, profitability, firm size and sales growth on stock returns which becomes the conceptual framework in this study is as follows:



2.2. Method

2.2.1. Types of Research

This study uses a type of quantitative research. Quantitative research is a method that has the goal of describing or describing an actual situation using numbers, starting with data collection, interpretation of the data obtained, and presentation of the results. This research examines the effect of liquidity, profitability, firm size, and sales growth on stock returns in case studies of manufacturing companies in the consumer goods sector listed on the Indonesia Stock Exchange in 2018-2021.

2.2.2. Population, Sample and Sampling Method

The population used in this study are consumer goods sector companies listed on the Indonesia Stock Exchange during 2018-2021. The sampling technique in this study used a purposive sampling method, namely the samples were taken according to the sample selection criteria that had been considered. Sampling criteria used in this study include:Perusahaan manufaktur sektor barang konsumsi yang terdaftar di Bursa Efek Indonesia pada periode 2018-2021.

1. Manufacturing companies in the consumer goods sector that provide annual reports consecutively for the 2018-2021 period.
2. Manufacturing companies in the consumer goods sector that did not experience losses during the 2018-2021 period.
3. Manufacturing companies in the consumer goods sector provide the required data information for each variable in the study.

2.2.3. Data Types and Data Sources

The data used in this study is secondary data, namely data obtained from third parties or indirectly. Data sources from third parties that will be used in this study are taken from annual reports of consumer goods manufacturing companies listed on the Indonesia Stock Exchange during the 2018-2021 period accessed through the official website of the Indonesia Stock Exchange, namely https://www.idx.co.id/ and the official website of each company as well as other relevant data sources.

2.2.4. Variable Operational Definitions

Stock Returns

Stock return is the rate of return obtained for the time and risk of the stock investment that has been made. In other words, stock returns are profits derived from investor share ownership of their investment activities and

consist of dividends and capital gains/losses. Stock returns can be calculated using the following formula (Jogiyanto, 2017: 265):

$R_t = \frac{(Pt-(Pt-1))}{(Pt-1)}$

Information:

R_t = Stock returns

P_t = Stock price period to (t)

P_{t-1} = Share price in the previous period (t-1)

Liquidity

The liquidity ratio is a measure of the ability of a company's assets to finance its short-term obligations or debt. In this study, liquidity is proxied by the Current Ratio (CR). The current ratio is one of the most common ratios used to measure a company's liquidity in paying short-term debt with the company's current assets. The Current Ratio is calculated in the following way (Fahmi, 2015:66):

$\text{Current Ratio} = \frac{\text{Current Asset}}{\text{Current Liabilities}}$

Profitability

The profitability ratio is a comparison to determine a company's ability to obtain profit (profit) from revenue (earnings) related to sales, assets and equity on the basis of certain measurements. In this study the measurement of profitability is proxied by Return On Assets (ROA). Return on assets is a calculating ratio that shows a company's ability to obtain net profit after tax from the total assets used for the company's operations. According to Hery, (2015: 193) Return On Assets can be calculated in the following way:

$\text{Return On Asset} = \frac{\text{Net profit after tax}}{\text{Total assets}}$

Firm Size

Firm size is a scale in which the size of the company can be classified in various ways, such as total assets, sales, market value of shares and others. The size of the company in the study is proxied by the company's total assets. Firm size can be calculated in the following way (Harahap, 2011:23):

Firm Size = Ln Total Assets

Sales Growth

Sales growth is a component to assess the company's prospects in the future and in financial management it can be measured based on the value of changes in total sales growth. Sales growth can be calculated in the following way (Fista & Widyawati, 2017):

$\text{Sales Growth} = \frac{\text{Sales (t)}-\text{Sales (t}-1)}{\text{Sales (t}-1)}$

2.2.5. Data analysis method

Regression analysis is basically a study of the dependence of the dependent variable with one or more independents, with the aim of estimating and/or predicting the population average or the average value of the dependent variable based on known variable values (Ghozali, 2011). The variables used in this study consist of several variables, namely liquidity ratios, profitability ratios, firm size, and sales growth as independent variables, and stock returns as the dependent variable. The regression equation in this study, namely:

$RS = a + \beta_1 L + \beta_2 P + \beta_3 UK + \beta_4 PP + e$

Keterangan :

RS = Stock returns

a = Constant

β1-β4 = Independent variable Regression Coefficient

L = Liquidity

P = Profitability

UK = Firm Size

PP = Sales Growth

e = Error

III. RESULTS

3.1. Determination of Research Sample

Table III.1 Results of Sample Selection by Purposive Sampling

No.	Criteria	Amount
1.	Manufacturing companies in the consumer goods sector listed on the IDX in the 2018-2021 period	71
2.	Consumer goods sector manufacturing companies that do not provide annual reports in a row during the 2018-2021 period	(22)
3.	Manufacturing companies in the consumer goods sector experienced losses during the 2018-2021 period	(16)
4.	Manufacturing companies in the consumer goods sector do not provide complete data information as required by researchers	(3)
	Samples that meet the criteria for one year	30
	Total sample for four years	120
	Outliers	(5)
	Number of samples that can be processed	115

Source: Data Analysis Results, 2023

The sampling technique used in this study was purposive sampling. Based on the sample criteria that have been determined in this study, a sample of 30 companies is obtained each year. The total samples for the 2018-2021 period were 120 samples with 5 extreme data outliers, so that the total number of samples that could be processed was 115 samples.

3.2. Descriptive Statistical Analysis

Table III. 2 Results of Descriptive Statistical Analysis

Variable	N	Minimum	Maximum	Mean	Standard Deviation
Liquidity	115	0,61	12,76	2,9062	2,24528
Profitability	115	0,00	0,47	0,1104	0,09119
Firm Size	115	25,95	32,82	29,1554	1,52793
Sales Growth	115	-0,47	1,27	0,1064	0,20450
Stock Returns	115	-0,73	1,52	0,0195	0,36184

Source: Data Analysis Results, 2023

Based on the descriptive statistical test in the table above, it shows a total sample (N) of 115 company data during 2018-2021 and obtained information about the minimum value, maximum value, average value and standard deviation of each variable in this study. The interpretation of each variable is as follows:

a. Liquidity

The first independent variable used in this study is liquidity. Where this liquidity is obtained from calculating the current ratio, namely current assets divided by current debt. Liquidity has the lowest value is 0.61 and the highest value is 12.76. While the average value (mean) is 2.9062 with a standard deviation value of 2.24528 which is smaller than the average value of 2.9062, this shows that the research data is less varied because the standard deviation value is smaller than the average value (means).

b. Profitability

The second independent variable used in this study is profitability. Where profitability is obtained from calculating Return on Assets (ROA), namely profit after tax divided by total assets. Profitability has the lowest value is 0.00 and the highest value is 0.47. While the average value (mean) is 0.1104 with a standard deviation value of 0.09119 which is smaller than the average value of 0.1104, this shows that the research data is less varied because the standard deviation value is smaller than the average value (means).

c. Firm Size

The third independent variable used in this study is firm size. Where the size of the company is obtained from the multiplication between the natural logarithm and total assets. Firm size has the lowest value is 25.95 and the highest value is 32.82. While the average value (mean) is 29.1554 with a standard deviation value of 1.52793 which is smaller than the average value of 29.1554, this shows that the research data is less varied because the standard deviation value is smaller than the average value (means).

d. Sales Growth

The fourth independent variable used in this study is sales growth. Where sales growth is obtained from calculating the total sales for this period minus the previous period divided by the total sales for the previous period. Sales growth has the lowest value is -0.47 and the highest value is 1.27. While the average value (mean) is 0.1064 with a standard deviation value of 0.20450 which is greater than the average value of 0.1064, this shows that the research data varies because the standard deviation value is greater than the average value (mean).

e. Stock returns

The dependent variable, stock return, obtained the lowest value of -0.73, meaning that the comparison of the current period's stock price with the previous period's stock price was -0.73. The highest value of stock return is 1.52 which shows that the company produces a stock price for the current period of 1.52. The average comparison of stock prices for the current period with stock prices for the previous period is 0.0195 and has a standard deviation of 0.36184.

3.3. Normality test

Table III.3 Normality Test Results

		Unstandardized Residuals
N		115
Monte Carlo Sig. (2-tailed)	Sig	0,078

Source: Data Analysis Results, 2023

The results of data analysis show the Kolmogorov-Smirnov value using the Monte Carlo Sig. (2-tailed) is 0.078. Sig. (2-tailed) 0.078 > 0.05, with these results it can be concluded that the regression equation model in this study has normally distributed data, so that the research model is stated to have met the assumptions of normality.

3.4. Multicollinearity Test

Table III.4 Multicollinearity Test Results

Variable	Tolerance	VIF	Information
Liquidity	0,953	1,049	There is no multicollinearity
Profitability	0,959	1,043	There is no multicollinearity
Firm Size	0,930	1,075	There is no multicollinearity
Sales Growth	0,979	1,021	There is no multicollinearity

Source: Data Analysis Results, 2023

The results of multicollinearity calculations with the tolerance value calculation test and the variance inflation factor (VIF). All variables in the regression equation in this study have tolerance values greater than 0.10 and VIF values less than 10. Based on the results of the multicollinearity test it can be concluded that all independent variables do not have multicollinearity.

3.5. Autocorrelation Test

Table III.5 Autocorrelation Test Results

DU	Durbin-Watson	4-DU	Information
1,7683	2,105	2,2317	There is no autocorrelation

Source: Data Analysis Results, 2023

Based on the table above, it can be seen that the Durbin Watson value is 2.105. In this study, there were 4 independent variables while the total sample size was 115, so the value was between DU = 1.7683 and DL = 1.6246. The conditions for passing the Durbin Watson test are DU tables < DW statistics < (4-DU tables), so that the results are 1.7683 < 2.105 < 2.2317, it can be concluded that the data does not have autocorrelation or it can be said that it passes the autocorrelation test.

3.6. Heteroscedasticity Test

Table III. 6 Heteroscedasticity Test Results

Variable	Sig.(2-tailed)	Information
Liquidity	0,115	There is no heteroscedasticity
Profitability	0,413	There is no heteroscedasticity
Firm Size	0,625	There is no heteroscedasticity
Sales Growth	0,927	There is no heteroscedasticity

Source: Data Analysis Results, 2023

Based on the results of the heteroscedasticity test with the Spearman rank test, the sig. (2-tailed) for each independent variable namely liquidity, profitability, firm size and sales growth is above 0.05. This shows that the data in this study did not occur heteroscedasticity.

3.7. Multiple Linear Regression Analysis

Table III.7 Multiple Linear Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,540	0,653		2,358	0,020
	Liquidity	-0,011	0,015	-0,070	-0,760	0,449
	Profitability	0,508	0,366	0,128	1,390	0,167
	Firm Size	-0,054	0,022	-0,229	-2,450	0,016
	Sales Growth	0,374	0,161	0,211	2,317	0,022

Source: Data Analysis Results, 2023

Based on the results of the multiple linear regression test above, the regression equation can be compiled as follows:

RS = 1,540 - 0,011 (L) + 0,508 (P) - 0,054 (UP) + 0,374 (PP) + e

Based on the multiple linear regression equation, it can be interpreted as follows:

a. The constant value (α) of 1.540 indicates that if the variables of liquidity, profitability, firm size and sales growth are equal to 0 or constant, then there is an increase in stock returns of 1.540.

b. The regression coefficient value of the liquidity variable (L) is -0.011, meaning that if liquidity increases, the implementation of company stock returns will decrease.

c. The regression coefficient value of the profitability variable (P) is 0.508, meaning that if profitability increases, the implementation of company stock returns will increase.

d. The regression coefficient value of the firm size variable (UP) is -0.054, where the negative sign means that if the firm size increases, then the implementation of company stock returns will decrease.

e. The regression coefficient value of the sales growth variable (PP) is 0.374, meaning that if sales growth increases, the implementation of the company's stock returns will increase.

3.8. Simultaneous Test (Test F)

Table III. 8 F Test Results

Variable	F_{count}	F_{table}	Sig.	Information
L, P, UP, PP	3,159	2,45	0,017	Influential

Source: Data Analysis Results, 2023

From the results of the F test above, it can be interpreted that F_{count} is greater than F_{table} (3.159 > 2.45) and the significance value is less than 5% (0.017 < 0.05) proving that simultaneously the variables liquidity, profitability, firm size and sales growth affects the company's stock return.

3.9. Partial Test (t test)

Table III. 9 Test Results t

Variable	T_{count}	T_{table}	Sig.	Information
Liquidity	-0,760	1.98282	0,449	H1 is rejected
Profitability	1,390	1.98282	0,167	H2 is rejected
Firm Size	-2,450	1.98282	0,016	H3 is accepted
Sales Growth	2,317	1.98282	0,022	H4 is accepted

Source: Data Analysis Results, 2023

Based on the results of the t test presented above, each variable can be interpreted as follows:

a) The liquidity variable (L) on stock returns shows a significance value of 0.449 > 0.05 and $t_{count} < t_{table}$ (0.760 < 1.98282) so that H_1 is rejected which means liquidity does not affect the implementation of stock returns.

b) The profitability variable (P) on stock returns shows a significance value of 0.167 > 0.05 and $t_{count} < t_{table}$ (1.390 < 1.98282) so that H_2 is rejected which means profitability does not affect the implementation of stock returns.

c) The variable firm size (UP) on stock returns shows a significance value of 0.016 < 0.05 and $t_{count} > t_{table}$ (2.450 > 1.98282) so that H_3 is accepted which means firm size affects the implementation of stock returns.

d) Sales growth variable (PP) on stock returns shows a significance value of 0.022 < 0.05 and $t_{count} > t_{table}$ (2.317 > 1.98282) so that H_4 is accepted, which means that sales growth affects the implementation of stock returns.

3.10. Determination Coefficient Test (Adjusted R2)

Table III. 10 Test Results for the Coefficient of Determination (R2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,321	0,103	0,070	0,34887

Source: Data Analysis Results, 2023

Based on the results of the data processing above, an adjusted R2 value of 0.103 or 10.3% was obtained. This indicates that 10.3% stock return is influenced by the variables of liquidity, profitability, firm size and sales growth. While the remaining 89.7% is explained by other variables not included in this study.

IV. DISCUSSION

4.1. Effect of liquidity on stock returns

The liquidity variable has no significant effect on stock returns. This can be proven from the t_{count} (0.0760) < t_{table} (1.98282) with a significant probability value of 0.449 > 0.05 so that the first hypothesis (H_1) is rejected. In this study, the variable liquidity which is proxied by the current ratio shows that the current ratio has no effect on stock returns, meaning that companies with high current ratios are not necessarily able to produce high stock returns either. A current ratio value that is too high indicates poor liquidity management because excess funds owned by the company are not used or left unemployed. This is in accordance with the theory of (Fahmi, 2018: 124), that "The condition of a company that has a good current ratio is considered a good and good company, but if the current ratio is too high it is also considered bad. Indeed, for the company's managers having a high current ratio is considered good, even for creditors it is seen that the company is in a strong condition. But for shareholders or investors it is considered not good, in the sense that company managers do not utilize current assets properly and effectively, or in other words the level of creativity of company managers is low. So that investors become less interested in buying the company's shares which causes the number of requests for shares to decrease and stock returns to fall. This is in line with research conducted by (Supriantikasari & Utami, 2019) which states that the current ratio has no significant effect on stock returns. However, this is not in line with research conducted by (Sinaga et al., 2020) which states that the current ratio has a significant effect on stock returns.

4.2. Effect of profitability on stock returns

The profitability variable has no significant effect on stock returns. This can be proven from the t_{count} (1.390) < t_{table} (1.98282) with a significant probability value of 0.167 > 0.05 so that the second hypothesis (H_2) is rejected. In this study the profitability variable proxied by Return On Assets (ROA) shows that ROA has no effect on stock returns. Insignificant influence means that the profitability variable has no significant effect on company stock returns. Based on the statistical results, it shows that the profitability information proxied by ROA published in the financial statements is not informative for investors in estimating returns. The ROA ratio does not yet reflect the actual operating profit, because the calculation of ROA uses profit from accrual basis recording. So that in making investment decisions, investors are more likely to pay attention to the company's ability to manage cash flows, investments and assets which automatically reflect the company's ability to generate profits as well as the effectiveness and efficiency of the company's performance from managing these cash flows, investments and assets. This indicates that investors do not solely use ROA as a measure in assessing company performance to predict stock returns. This is in line with research conducted by (Mangantar et al., 2020) which states that ROA has no significant effect on stock returns. However, this is not in line with research conducted by (Rasyid et al., 2018) which states that ROA has a significant effect on stock returns.

4.3. Effect of firm size on stock returns

The firm size variable has a significant effect on stock returns. This can be proven from the value of t_{count} (2.450) > t_{table} (1.98282) with a significant probability value of 0.016 < 0.05 so that the third hypothesis (H_3) is accepted. The size of the company is used as a benchmark that the company has good performance so that many investors buy shares by considering a relatively stable market share. Large companies are considered to have more access to the capital market, making it easier to obtain additional funds. In addition, large companies have lower risks than small companies. This is because large companies have better control over market conditions, so that they are able to face economic competition. The size of a company with a large scale will be considered superior in terms of company wealth and performance, so that it can increase investor confidence and attract investors to invest in the company, this can cause an increase in stock prices and also stock returns. This is in line with research conducted by (Dewi & Sudiarta, 2019) which states that firm size has a significant effect on stock returns. However, this is not in line with research conducted by (Setiyono & Amanah, 2016) which states that firm size has no significant effect on stock returns.

4.4. Effect of sales growth on stock returns

Sales growth variable has a significant effect on stock returns. This can be proven from the t_{count} (2.317) > t_{table} (1.98282) with a significant probability value of 0.022 < 0.05 so that the fourth hypothesis (H_4) is accepted. Sales growth is a reflection of the company's success in selling both goods and services in the previous period which can be used to predict future sales. Thus, it can be said that sales growth is an increase or decrease in the number of company sales from year to year. A company that can be said to experience good sales growth is a company that maintains consistency in its main operational activities. Greater sales growth is generally followed by greater profit growth and the company's ability to fulfill its obligations is also greater. So that increased sales growth causes company profits to also increase. Increased company profits, the profits obtained by investors will increase and the demand for company shares will also increase which can affect the increase in stock prices and the company can obtain returns. This is in line with research conducted by (Herianto & Majidah, 2020) which states that sales growth has a significant effect on stock returns. but this is not in line with research conducted by (Juwita & Ratih, 2021) which states that sales growth has no significant effect on stock returns.

V. CONCLUSION

This study aims to determine the effect of liquidity, profitability, firm size and sales growth on stock returns in manufacturing companies in the consumer goods sector listed on the Indonesia Stock Exchange in 2018-2021. Based on the results of the research and discussion above, it can be concluded that liquidity and profitability have no significant effect on stock returns in manufacturing companies in the consumer goods sector listed on the Indonesia Stock Exchange in 2018-2021. Meanwhile, firm size and sales growth have a significant influence on stock returns in consumer goods manufacturing companies listed on the Indonesia Stock Exchange in 2018-2021. Based on this research, researchers have research limitations that need to be considered by researchers in the future, including the following:

1. This research was only conducted in the consumer goods sector manufacturing companies listed on the Indonesia Stock Exchange. For further researchers, they can expand the object of research based on the IDX-IC classification of companies listed on the Indonesia Stock Exchange.
2. This study has only 4 observation periods, namely 2018-2021, so the data does not reflect the long-term condition of the company. Future researchers can extend the study period, for example five to seven years so that the results can better describe long-term conditions and provide more accurate results.
3. The results of the test for the coefficient of determination (Adjust R Square) show that the dependent variable can be explained by an independent variable of 0.103 or 10.3% while the remaining 89.7% is explained by other variables not included in this study, so that the possibility that there is still many other factors that can be used in this study. For further research it is expected to consider other factors as independent variables that might affect stock returns.

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