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The Effect of Liquidity, Profitability, Solvency and Dividend Policy on Stock Prices (Empirical Study of Food and Beverage Manufacturing Companies Listed on the IDX in 2017-2021)

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ABSTRACT: *This study aims to analyze the effect of liquidity, profitability, solvency and dividend policy on stock prices. The object of this research is the food and beverage sub-sector manufacturing companies listed on the IDX. This study is a quantitative research and sampling technique by purposive sampling according to predetermined criteria. A total of 9 companies have met the criteria as observation units. The data used is secondary data obtained from the annual financial statements (Annual Report) of food and beverage companies during 2017-2021. The data analysis method uses multiple linear regression analysis. The results showed that liquidity and dividend policy had a significant effect on stock prices. Meanwhile, profitability and solvability have no effect on stock prices.*

Keywords: *liquidity; profitability; solvability; dividend policy; stock prices.*

I. INTRODUCTION

Food and beverage companies have tremendous appeal because Indonesia's huge market is spread everywhere, until now the trend in stock prices in the food and beverage industry sector continues to dominate. Food and beverage companies are one of the good choices for investors to invest their capital. Investors can consider determining a stock investment in the capital market.

Share price is a very important factor to consider and indicators are used to measure shareholder welfare. Hartono (2016: 180) states that the company's value is indicated by the share price and as a measure of the company's effectiveness. Low shares can mean that the company's performance is not optimal, but if the share price is very high it can reduce the ability of investors to buy these shares. The higher the demand for shares, the share price will increase, and when the supply is higher, the share price will decrease. This statement is an indicator that the shares traded can experience price changes at any time. Therefore, stock price valuation is a very important and basic thing for investors as a basis for making decisions on stock offerings in companies that can be said to be worth choosing. One of the ways to analyze accurate information is to analyze the company's financial performance and dividend policy.

According to Rhamadana & Triyonowati (2016), financial performance is a company's financial picture during a certain period which involves collecting funds and channeling funds, and can be measured by financial ratio indicators, namely liquidity, solvency, and profitability. The financial performance of a company is measured using financial ratio analysis to estimate the share price, which can be used by investors or stock buyers to decide to invest in shares.

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The importance of this research is to develop previous research. Many studies on stock prices get different or inconsistent results. As research conducted by Frendy Sondakh, Parengkuan Tommy, and Marjam Mangantar (2015) with the title Effect of Current Ratio (CR), Debt to Equity Ratio (DER), Return On Asset (ROA) and Return On Equity (ROE) on Stock Prices on the LQ 45 Index on the IDX for the period 2010-2014. The results showed that CR, DER, ROA and ROE had a significant effect on Stock Prices. This is the reason why this research was conducted in order to obtain data that can be accounted for in the future.

The equation of previous research with current research is that both examine liquidity, profitability and solvency on stock prices. The difference in this study is that it specializes in research in food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange (IDX), and adds one independent variable, namely dividend policy, as well as differences in the research time period. Based on the background description of the problems above, a research was conducted entitled "The Effect of liquidity, Profitability, Solvency and Dividend Policy on Stock Prices (Empirical Study of Food and Beverage Sub-Sector Manufacturing Companies Listed on the IDX in 2017-2021)".

II. MATERIAL AND METHOD

2.1. Material

2.1.1. Signal Theory

Signal theory is the impetus to provide information, both positive and negative signals, to parties between management and investors regarding the company's financial condition (Maulidia and Asyik 2020). The existence of such information can assist in making decisions on investors in investment activities. Signal theory assumes that there is information between managers and investors or potential investors. Managers are seen as having information about the company that is not owned by investors or potential investors. Signal theory explains why it is important for companies to present and disclose information to the public. This information can be in the form of financial reports, company policy information or other information that is voluntarily disclosed by management.

2.1.2. Stock Price

According to Jogiyanto (2010) "stock price is the price that occurs on the stock market at a certain time determined by market participants and determined by the demand and supply of the shares concerned in the capital market". According to Tandelilin (2010) stock prices are a reflection of investors' expectations of earning factors, cash flow and the required rate of return, which these three factors are also strongly influenced by a country's macroeconomic conditions and global economic conditions. Based on the understandings of some of the experts above, it can be concluded that stock prices are prices that are formed by various factors, one of which is formed according to demand and supply in the stock trading market.

2.1.3. Liquidity

According to Mayasari et al., (2021), liquidity is the ability of a company to fulfill its short-term obligations by using its current assets to trigger various management parties to improve company performance. One way to measure the level of a company's liquidity ratio is through the calculation of the Current Ratio (CR). The Current Ratio (CR) is the ratio between current assets divided by current debt (Octaviani and Komalasari, 2017). A high Current Ratio (CR) value indicates smooth cash flow, debts are able to be paid, and the company has sufficient inventory. However, when the CR value is low, it indicates a problem within a company. The empirical evidence states that liquidity or CR has a positive and significant effect on stock prices (Faleria et al., 2017 and Manoppo et al., 2017). From this description, the resulting hypothesis is as follows:

H_1: Liquidity affects the stock price.

2.1.4. Profitability

Adipalguna and Suarjaya (2016) state that profitability is a company's ability to earn profit in relation to sales, total assets and capital. One way to measure the level of profitability of a company is through Return On Assets

(ROA). ROA that is getting better shows that the company has managed its assets properly and effectively (Hertina, 2021). The higher the value of this ratio, the more trusted and active a company is. This shows that assets that are managed effectively can earn profits faster, and show more efficient use of all assets in generating sales. The better a company is in managing its assets, the level of profitability tends to increase causing stock prices to also increase. Empirical evidence also states that profitability or ROA has a positive and significant effect on stock prices (Rony Arpinto Ady, 2021; Anggraeni and Cahyono, 2012; Anisya and Hidayat, 2021). From this description, the resulting hypothesis is as follows:

H_2: Profitability affects stock prices.

2.1.5. Solvability

The solvency ratio is theoretically a ratio that measures the size of a company's total assets financed by creditors (Adipalguna and Suarjaya, 2016). A low level of Debt to Equity Ratio (DER) can give a positive signal to investors regarding the valuation of a company where the high level of debtor funding comes from the owner's own capital. However, when the DER is high and followed by good management, this can increase profits and cause stock prices to increase (Qamara et al., 2020). Empirical evidence states that DER has a positive and significant effect on stock prices (Putri Erika Susanti, 2019). From this description, the resulting hypothesis is as follows:

H_3: Solvability affects stock prices.

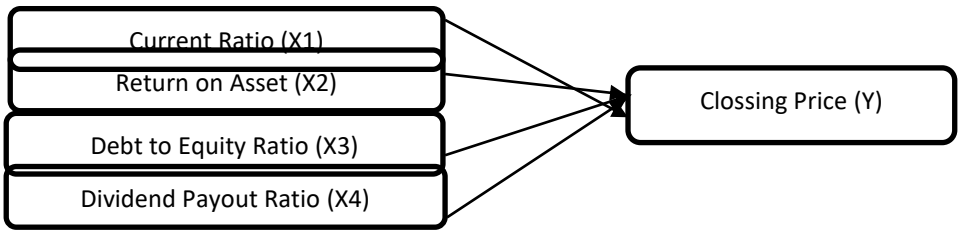
2.1.6. Kebijakan Dividen

Van Horne, James C, and Jhon M (2005) stated that stock prices can be affected by dividends because dividend policy provides information about company profits. The dividend policy used in this study is the Dividend Payout Ratio (DPR). According to Sarngadharan and Kumar (2011:149), "Dividend Payout Ratio (DPR) shows the proportion of earnings per share distributed to equity shareholders as dividends. With an increase in dividend payments it is considered good news because it can illustrate that the company's position and company performance are in good condition, so that it can affect the increase in stock prices. The high profits distributed as dividends can attract investors to carry out investment activities. Empirical evidence states that the DPR has a positive and significant effect on stock prices (Irma Kurnia Fitri, 2018). From this description, the hypothesis in this study is:

H_4: Dividend policy affects stock prices.

2.1.7. Conceptual Framework

Based on the literature review and the problems that have been described, as a basis for determining the hypothesis. The following describes the framework model of influence between research variables.



2.2. Methods

2.2.1. Types of Research

The type of research used in this research is quantitative research. Quantitative research is used for research based on the philosophy of positivism, is used to examine certain populations or samples that aim to test established hypotheses and uses research instruments and quantitative data analysis as a data collection tool (Sugiyono, 2017).

2.2.2. Population, Sample and Sampling Method

The population used in this study are food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange (IDX) in 2017-2021. The research sample used a purposive sampling technique, namely the technique of determining the research sample by establishing certain criteria to fulfill this research. The sampling criteria in this study are as follows:

1. Companies that publish annual reports for the 2017-2021 period.
2. Companies that earn positive profits during the 2017-2021 period.
3. Companies that distribute dividends during the 2017-2021 period.
4. Companies whose shares are actively traded during the 2017-2021 period.

2.2.3. Data Type and Data Source

The data obtained in this research is secondary data. The data source for this research is obtained from the annual reports of food and beverage manufacturing companies listed on the Indonesia Stock Exchange for the period 2017-2021 which can be accessed through https://www.idx.co.id/ and other relevant data sources.

2.2.4. Operational Definition of Variables`

Stock Price

The share price is the value of a share that reflects the wealth of the company issuing the shares. Supply and demand for shares greatly affect changes or fluctuations in share prices. With a higher stock price, it will create satisfaction for investors and also enhance a better corporate image so that it can make it easier for the company's management to obtain funds from outside the company. In this study, the stock price data used is the annual closing price for the 2017-2021 period.

Liquidity

In this study, the indicator used to measure liquidity is the Current Ratio. The higher the value of the Current Ratio (CR), the stock price of a company tends to increase. A high Current Ratio (CR) value indicates smooth cash flow, debts are able to be paid, and the company has sufficient inventory. However, when the CR value is low, it indicates a problem within a company. In this study, the current ratio can be calculated by the formula:

$$\text{Current Ratio (CR)} : \frac{\text{Current Asset}}{\text{Current Liability}}$$

Profitability

In this study, the indicator used to measure profitability is Return On Assets (ROA). The higher the value of this ratio, the more trusted and active a company is. This shows that assets that are managed effectively can earn profits faster, and show more efficient use of all assets in generating sales. In this study, Return On Assets (ROA) can be calculated by the formula:

$$\text{Return On Asset (ROA)} : \frac{\text{Net Profit}}{\text{Total Asset}}$$

Solvability

In this study, the indicator used to measure solvency is the Debt to Equity Ratio (DER). The higher the DER value, the higher the stock price of a company. In this study, the Debt to Equity Ratio (DER) can be calculated by the formula:

$$\text{Debt to Equity Ratio (DER)} : \frac{\text{Total Amount of Debt}}{\text{Total Equity}}$$

Dividend Policy

In this study, the indicator used to measure dividend policy is the Dividend Payout Ratio (DPR). With an increase in dividend payments it is considered good news because it can illustrate that the company's position and company performance are in good condition, so that it can affect the increase in stock prices. In this study, the Dividend Payout Ratio (DPR) can be calculated using the formula:

$$\text{Dividend Payout Ratio (DPR)} : \frac{\text{Dividend Per Share (DPS)}}{\text{Earning Per Share (EPS)}}$$

2.2.5. Data Analysis Models

Regression analysis is a method that functions as a measure of the independent variables on the dependent variable and aims to estimate the population mean or the average value of the dependent variable based on known independent values. The equations used in multiple linear regression are:

$$\mathbf{Y} \ : \ \boldsymbol{\alpha} + \boldsymbol{\beta_1 X_1} + \boldsymbol{\beta_2 X_2} + \boldsymbol{\beta_3 X_3} + \boldsymbol{\beta_4 X_4} + \mathbf{e}$$

Information:

Y	:	Stock price
α	:	Constant
$\beta_1, \beta_2 \, dan \, \beta_3$	:	Regression Coefficient
X_1	:	Liquidity is proxied through Current Ratio (CR)
X_2	:	Profitability is proxied through Return On Assets (ROA)
X_3	:	Solvability is proxied through Debt to Equity Ratio (DER)
X_4	:	Dividend Policy is proxied through Dividend Payout Ratio (DPR)
e	:	Error

III. RESULT

3.1. Research Sample Determination

Table III.1: Research Sample Determination

Sample Criteria	Amount
Food and beverage manufacturing companies listed on IDX for the 2017-2021 period.	25
Reduced:	
Companies that do not publish annual reports during the 2017-2021 period.	(2)
Companies that earn negative profits during the 2017-2021 period.	(7)
Companies that do not distribute dividends during the 2017-2021 period.	(7)
Companies whose shares were not traded during the 2017-2021 period.	0
Research samples that fit the criteria	9
Observational data (× 5 years)	45
Outlier Data	(7)
Total sample used	38

Source: Secondary Data Processed Author, 2023

Based on the available data, 9 companies have the criteria. The period of this study was five years, so 45 samples were obtained. During the data processing process, 7 data had to be outliers, so 38 final samples were used in the study.

3.2. Deskriptive Statisyical Analysis

Table III.2: Descriptive Statistics

Variable	N	Min	Max	Mean	Std. Deviation
Liquidity	38	0,74	8,64	2,6854	1,82509
Profitability	38	0,01	0,22	0,0901	0,05606
Solvability	38	0,16	1,77	0,7556	0,41963
Dividend Policy	38	0,11	0,63	0,3195	0,13102
Stock price	38	94,00	11150,00	3452,2632	3313,9110

Source: Secondary Data Processed Author, 2023

From the results of the descriptive statistical analysis of table III.1 it can be explained as follows:

a) Liquidity as an independent variable with a proxy Current Ratio (CR) has a minimum value of 0.74 from PT Budi Starch & Sweetener Tbk in 2020. The maximum value of 8.64 came from PT Delta Djakarta Tbk in 2017.

The mean value is 2.6854 and a standard deviation value is 1.82509, this shows that the research data has a low level of data variation because the standard deviation value is smaller than the mean.

b) Profitability as an independent variable with a Return On Asset (ROA) proxy has a minimum value of 0.01 coming from PT Budi Starch & Sweetener Tbk in 2018. The maximum value of 0.22 came from PT Delta Djakarta Tbk in 2018. The mean value is equal to 0.0901, and a standard deviation value was 0.05606, this shows that the research data has a low level of data variation because the standard deviation value is smaller than the mean.

c) Solvability as an independent variable with a Debt to Equity Ratio (DER) proxy has a minimum value of 0.16 originating from PT Ultra Jaya Milk Industry & Trading Company Tbk in 2018. The maximum value of 1.77 comes from PT Budi Starch & Sweetener Tbk in 2018. The mean value is equal to 0.7556, and a standard deviation value was 0.41963, this shows that the research data has a low level of data variation because the standard deviation value is smaller than the mean.

d) Dividend policy as an independent variable with a proxy Dividend Payout Ratio (DPR) has a minimum value of 0.11 originating from PT Ultra Jaya Milk Industry & Trading Company Tbk in 2020. The maximum value of 0.63 comes from PT Ultra Jaya Milk Industry & Trading Company Tbk in 2021. The mean value is 0.3195, and a standard deviation value was 0.13102, this shows that the research data has a low level of data variation because the standard deviation value is smaller than the mean.

e) The share price as the dependent variable with a closing price proxy at the end of the year has a minimum value of 94.00 coming from PT Budi Starch & Sweetener Tbk in 2017. The maximum value of 11150 comes from PT Indofood CBP Sukses Makmur Tbk in 2019. The mean variable value is 3452.2632 and a standard deviation value is 3313.9110, this shows that the research data has a low level of data variation because the standard deviation value is smaller than the mean.

3.3. Normality test

Table III.3: Normality test

Variable	*Kolmogrov-Smirnov*	Sig (2-tailed)	*p-value*	Description
Unstandardized residual	0,136	0,072	P > 0,05	Normal

Source: Secondary Data Processed Author, 2023

The results of the normality test in table III.2 show that the Kolmogorov-Smirnov (KS) value is 0,136 and the Asp. Sig. (2-tailed) is 0.072. Therefore, the data used in this study are normally distributed because of Asp. Sig. (2-tailed) 0.072 > 0.05.

3.4. Multicollinearity Test

Table III.4: Multicollinearity Test

Variable	Tolerance	VIF	Description
Liquidity	0,285	3,511	There is no multicollinearity
Profitability	0,311	3,214	There is no multicollinearity
Solvability	0,316	3,160	There is no multicollinearity
Dividend Policy	0,881	1,134	There is no multicollinearity

Source: Secondary Data Processed Author, 2023

The results of the multicollinearity test in table III.3 show that all independent variables obtained a tolerance value > 0,10 and a VIF value > 10. It can be concluded that the data passes the multicollinearity test or the data does not occur multicollinearity.

3.5. Heteroscedasticity Test

Table III.5: Spreaman'rho Rank Test

Variable	Sig.	Description
Liquidity	0,750	There is no heteroscedasticity
Profitability	0,360	There is no heteroscedasticity
Solvability	0,722	There is no heteroscedasticity
Dividend Policy	0,737	There is no heteroscedasticity

Source: Secondary Data Processed Author, 2023

The results of the heteroscedasticity test in table III.4 show that all independent variables get a significance value of > 0.05. Therefore, the regression model in this study is free from inequality of residual variance from one observation to another or not heteroscedasticity occurs.

3.6. Autocorrelation Test

Table III.6: Uji Runs test

	Unstandardized Residual
Z	-0,822
Asymp. Sig. (2-tailed)	0,411

Source: Secondary Data Processed Author, 2023

Based on the results of the Runs Test in table III.5 it can be concluded that the *Asymp*. Sig. (2-tailed) is 0,411. This value is above 0,05 which is α in this study. This shows that the data used in this study are scattered (random) and the regression model in this study is free from autocorrelation.

3.7. Multiple Linear Regression Analysis

Table III.7: Multiple Linear Regression Analysis

Variable	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	3947,780	2863,213		1,379	0,177
Liquidity	-1391,135	505,877	-0,766	-2,750	0,010
Profitability	26992,526	15757,771	0,457	1,713	0,096
Solvability	-2529,651	2087,500	-0,320	-1,212	0,234
Dividend Policy	8516,009	4005,678	0,337	2,126	0,041

Source: Secondary Data Processed Author, 2023

Based on the results of the multiple linear regression test in table IV.7, the regression equation model can be made as follows:

Stock price : 3947.780 - 1391,135CR + 26992,526ROA - 2529,651DER +8516,009DPR + e

Based on the regression equation that has been described, it can be explained as follows:

1. The constant value (α) of 3947,780 indicates that if the variables of liquidity, profitability, solvency and dividend policy have a fixed value of 0 (zero), then the stock price has a value of 3947,780.
2. The regression coefficient value of the liquidity variable is proxied by the Current Ratio (CR) of -1391,135, where the negative sign means that if liquidity increases, the implementation of the company's stock price will decrease by 1391,135.
3. The regression coefficient value of the profitability variable is proxied by Return On Assets (ROA) of +26992,526 which means that if profitability increases, the implementation of the company's stock price will increase by 26992,526.

4. The regression coefficient value of the solvency variable is proxied by the Debt to Equity Ratio (DER) of -2529,651, where the negative sign means that if solvency increases, then the implementation of the company's stock price will decrease by 2529,651.
5. The regression coefficient value of the dividend policy variable is proxied by the Dividend Payout Ratio (DPR) of +8516.009 which means that if the dividend policy increases, the implementation of the company's stock price will increase by 8516.009.

3.8. Determination Coefficient Test (Adjusted R2)

Table III.8: Determination Coefficient Test (Adjusted R2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,520	0,270	0,182	2997,24407

Source: Secondary Data Processed Author, 2023

The results of the test for the coefficient of determination (R2) in table III.7 shows that the adjusted R2 value in the regression model is 0,270 or 27%. This means that the independent variables in this study, namely liquidity, solvency, profitability and dividend policy can explain the dependent variable of this study, namely the stock price of 27%. While 73% is explained by other factors outside the research model used.

3.9. Simultaneous Test F

Table III.9: Simultaneous Test F

Model	F	Sig	Description
1	3,058	0,030	Influential

Source: Secondary Data Processed Author, 2023

Based on the output of SPSS table III.8 it can be seen that the results of the F test obtained a significance value of 0,030 < 0,05 so as to use the basis for decision making in the F test it can prove that the hypothesis is accepted or in other words the variables of liquidity, profitability, solvency and dividend policy are collectively simultaneous effect on stock prices. It can be concluded that the regression model is declared fit of goodness.

3.10. Partial Test (t test)

Table III.10: Partial Test (t test

Variable	T	Sig	Description
Liquidity	-2,750	0,010	H_1 accepted
Profitability	1,713	0,096	H_2 rejected
Solvability	-1,212	0,234	H_3 rejected
Dividend Policy	2,126	0,041	H_4 accepted

Source: Secondary Data Processed Author, 2023

Based on the results of the t test in table III.9, the conclusions drawn are as follows:

1. The first hypothesis with the liquidity variable proxied using the Current Ratio (CR) in table III.9 shows that the t_{count} value is greater than t_{table} which is -(2,750) > -(2,024) and the significance value is smaller than the *level of significance*, which is 0.010 < 0.05. So it can be concluded that H_1 accepted.
2. The second hypothesis with the profitability variable proxied using Return On Asset (ROA) in table III.9 shows that the t_{count} value is less than t_{table} which is 1.713 < 2.024 and the significance value is greater than the level of significance, which is 0.096 > 0.05, so it can be concluded that H_2 is rejected.
3. The third hypothesis with the solvency variable proxied using the Debt to Equity Ratio (DER) in table III.9 shows that the t_{count} value is less than t_{table} which is -(1.212) < -(2.024) and the significance value is greater than the level of significance, which is 0.234 > 0.05, so it can be concluded that H_3 is rejected.
4. The fourth hypothesis with the dividend policy variable proxied using the Dividend Payout Ratio (DPR) in table III.9 shows that the t_{count} value is greater than t_{table} which is 2.126> 2.024 and the significance value is smaller than the level of significance, which is 0.041 < 0.05, so it can be concluded that H_4 accepted.

IV. DISCUSSION

4.1. The Effect of Liquidity on Stock Prices

Based on the results of the research that has been tested, it shows that liquidity with the Current Ratio (CR) proxy has a significant effect on stock prices. It can be seen in table III.9 which shows that the t_{count} value is greater than t_{table} which is -(2,750) > -(2,024) and the significance value is smaller than the *level of significance*, which is 0.010 < 0.05. This shows that if the Current Ratio (CR) increases, the stock price decreases, because the high Current Ratio level shows that the company has quite a lot of excess idle funds and is not utilized properly to improve company performance. This can be strengthened by the precautionary principle which states that the Current Ratio (CR) value is considered good or safer if it is above 1 or 100%. This means that current assets are greater or more than the amount of current debt. But if the current ratio value is too high or the value is far above 200%, it is considered unfavorable. This can reflect that the company is not doing good cash flow management and investment, this will result in a decrease in the company's share price in the capital market. The results of this study are not in line with research conducted by Saputra (2022) which shows that Currnet Ratio (CR) has no effect on stock prices. However, this research is in line with research conducted by Irawan et al., (2021); Wiryaningtyas (2020); Amrah & Elwisam (2018); Anggraeni & Cahyono (2022); Nur'aidawati (2018) which shows that Current Ratio (CR) has a significant effect on stock prices. Therefore, it can be concluded that the results of this first hypothesis are in accordance with what states that liquidity has a significant effect on stock prices, therefore it is H_1 accepted.

4.2. The Effect of Profitability on Stock Prices

Based on the results of the research that has been tested, it shows that profitability by proxy Return On Assets (ROA) has no effect on stock prices. It can be seen in table III.9 which shows that t_{count} value is less than t_{table} which is 1.713 < 2.024 and the significance value is greater than the level of significance, which is 0.096 > 0.05. This shows that the higher Return On Assets (ROA) will not affect the ups and downs of stock prices. The results of this study are not in line with research conducted by Wiryaningtyas (2020); Ady (2021) and Latifah & Suryani (2020) which show that Return On Assets (ROA) has a significant effect on stock prices. However, the results of this study are in line with research conducted by Amrah & Elwisam (2018); Tahir et al., (2021); Welan et al., (2019) and Ikbal (2019) in their research show that Return On Assets (ROA) has no effect on stock prices. Therefore, it can be concluded the second hypothesis are not in accordance with the statement that profitability has no significant effect on stock prices, therefore it is H_2 rejected.

4.3. The Effect of Solvability on Stock Prices

Based on the results of the research that has been tested, it shows that solvency by proxy Debt to Equity Ratio (DER) has no effect on stock prices. It can be seen in table III.9 which shows that the t_{count} value is less than t_{table} which is -(1.212) < -(2.024) and the significance value is greater than the level of significance, which is 0.234 > 0.05. This shows that the higher the Debt to Equity Ratio (DER) will not affect the ups and downs of stock prices. However, this does not mean that a company can determine the highest possible level of Debt to Equity Ratio (DER) because an increase in the size of a company indicates that the risk of distribution of company profits will increase to be absorbed to pay off company obligations, so that investor profits will decrease. The results of this study are not in line with research conducted by Saputra (2022) and Susanti (2019) which show that the Debt to Equity Ratio (DER) has a significant effect on stock prices. However, the research results are in line with research conducted by Rinofah et al., (2022); Ramadhani & Zannati (2018); and Wiryaningtyas (2020) in their research shows that the Debt to Equity Ratio (DER) has no effect on stock prices.Therefore, it can be concluded that the third hypothesis are not in accordance with the statement that solvency has no significant effect on stock prices, therefore it is H_3 rejected.

4.4. The Effect of Dividend Policy on Stock Prices

Based on the results of the research that has been tested, it shows that the dividend policy by proxy the Dividend Payout Ratio (DPR) has a significant effect on stock prices. It can be seen in table III.9 which shows that the t_{count} value is greater than t_{table} which is 2.126 > 2.024 and the significance value is smaller than the level of significance, which is 0.041 < 0.05. This can be explained that every time there is an increase or decrease in the Dividend Payout Ratio (DPR) it results in an increase or decrease in stock prices. This is in

accordance with the signaling theory developed by Modigliani and Miller (1961) in the Information Content Or Signaling Hypothesis Theory, that an increase in dividends above the normal increase will usually be a positive signal for investors indicating that company management reflects a good income in the future. which will come. The results of this study are not in line with research conducted by Latifah & Suryani (2020) which shows that the Dividend Payout Ratio (DPR) has no effect on stock prices. However, the results of this study are in line with research conducted by Anggraeni & Cahyono (2022); Fitri & Purnamasari (2018) and Irawan et al., (2021) in their research showed that the Dividend Payout Ratio (DPR) has a significant effect on stock prices. Therefore, it can be concluded that the fourth hypothesis are in accordance with those stating that dividend policy has a significant effect on stock prices, therefore it is H_4 accepted.

V. CONCLUSION

Based on the results of the tests that have been carried out, it can be concluded that:

1. Liquidity affects the Stock Prices.
2. Profitability does not affect the Stock Prices.
3. Solvability does not affect Stock Prices.
4. Dividend Policy affects the Stock Prices.

Limitations of the Research:

1. This research is limited to the research object proposed by the researcher which only examines manufacturing companies in the food and beverage sub-sector that are listed on the IDX 2017-2021.
2. This research is limited to the number of research samples where only 9 companies are used by researchers, this is because the research object is narrow so that external validation is still low.
3. This research is limited to the independent variables in the study where only liability, solvency, profitability and dividend policy with an adjusted R2 value of 27%, so there are many other factors that influence stock prices that have not been explained in this study.

So expected:

1. For further research, it is hoped that it can expand the object of research by conducting research other than food and beverage companies listed on the Indonesia Stock Exchange, such as property companies, infrastructure companies and so on.
2. For further research, it is expected to be able to expand the research sample so as to get maximum research results.
3. For future research, it is expected to be able to explore a wider variety of independent variables that have the potential to affect stock prices such as interest rates, book values, inflation, asset structure and so on. Because there is still 73% variation in the dependent variable which cannot be explained by the independent variables in this study.

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