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Influence Analysis of Fundamental Information, Company Size and Sales Growth Toward Share Price
(Studies in Pharmacy Industry Company Listed in Indonesia Stock Exchange)

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Abstract: The purpose of this study is to analyze the influence of return on assets (ROA), earnings per share (EPS), debt to equity ratio (DER), dividend payout ratio (DPR), firm size, and sales growth on share prices. Data analysis techniques used in this study is multiple linear regression analysis. The sample in this study is using purposive sampling method that has there are nine pharmaceutical companies listed on the Stock Exchange that meet criteria of the observation period 2010-2014. The results showed that the ROA and DER effect on share prices and statistically ROA, EPS, DER, DPR, company size and sales growth simultaneously effect on share prices.

Keywords: Share prices, return on assets, earnings per share, debt to equity ratio, dividend payout ratio, firm size, and growth sales

INTRODUCTION

The pharmaceutical industry in Indonesia is one of the industry developed rapidly with an expanding market. Increased support government programs in the health sector in line with the implementation of Sistem Jaminan Sosial Nasional (SJSN) through the operation of Badan Penyelenggara Jaminan Sosial (BPJS) Kesehatan and national health insurance system as of January 2014 projected encourage the growth of the pharmaceutical industry even higher in next few years. The national pharmaceutical market is expected to grow an average of 13% per year in 2011-2015, shown in Figure 1:.

Prescription drugs (ethical) accounts for approximately 60% of the national pharmaceutical market and the remaining 40% are over the counter drugs (OTC). Prescription drug it self consists of patent drug (30%) and generic drugs (70%), where generic drugs are divided into branded generic drugs and usual generic drugs (as shown in Figure 2). In this case the share market of usual generic drugs in Indonesia is

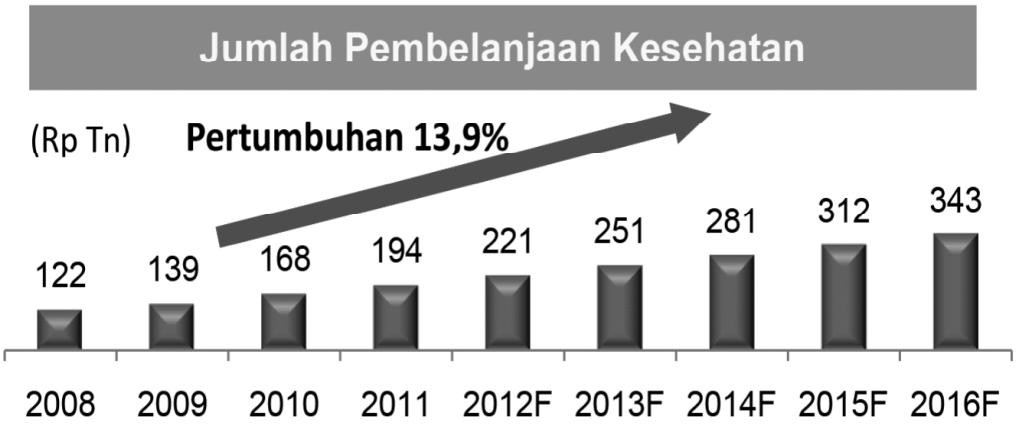

Figure 1: National Pharmaceutical Market Growth Estimates

Source: http://bankmandiri.co.id/indonesia/eriview-pdf/NIFK23194589.pdf, accessed March 26, 2015

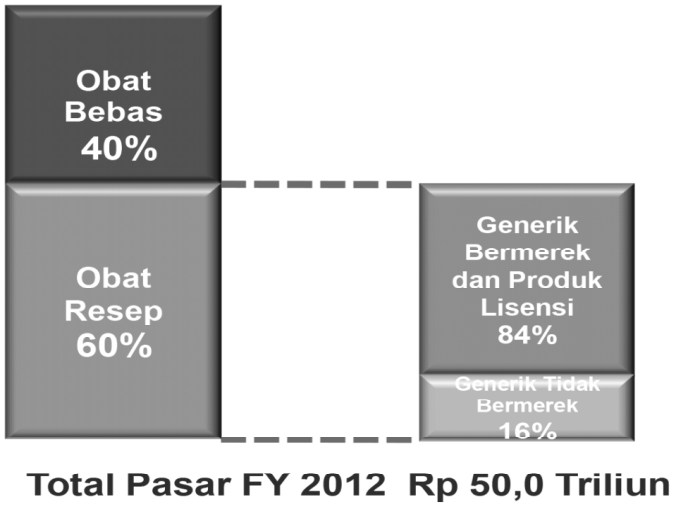

Figure 2: Distribution of Pharmaceutical Drug Market

Source: http://bankmandiri.co.id/indonesia/eriview-pdf/NIFK23194589.pdf, accessible March 26, 2015

still relatively small (<20% of total generic drug market). The growth potential of prescription drugs in the future, especially generics, is expected to increase as the implementation of SJSN.

Companies pharmaceutical industries doing business development to face the increasingly fierce competition. In the development of these companies experienced a variety of obstacles. One of them is related to funding decisions. For the fulfillment of such funding is often the funds taken from the company is not enough so that the necessary efforts to seek funding from outside the company namely in the capital market by way of share issuance. The bidding process most of the company's shares to the public for the first time through the stock exchange called the initial public offerings (IPO). The company's initial public offering means the company wentpublic. By goingpublic, the company can raise funds from the community is relatively large. The funds can be used for the purposes of funding, to finance the company's operation, expansion, and improve the company's capital structure.

If the pharmaceutical companies that have gone public continues to innovate and sells its products then that investors will continue to embed interest in company shares because dividends and capital investment continues to rise. With more demand for the company's stock, it will indirectly raise the stock price of the company concerned, because the rise or fall share prices is controlled also by the volume of demand and supply.

Decisions investor preceded by analyzing the fundamental information obtained from the financial statements of the company. The fundamental information better able to reflect the performance or value of the company in this case is reflected by the stock price. Along with the rapid growth and high levels of stock trading risk, the need for information that is relevant and adequate fundamental for investors in making investment decisions is also increasing. This information is necessary to determine the variables associated with fluctuations in share prices and the relationship between variables. In this study the variables used are fundamental information that in proxy by return on assets (ROA), earnings per share (EPS), debt to equity ratio (DER), and dividend payout ratio (DPR), as well as company size and growth sales to the share price.

Based on this background, the problem in this research is to examine the factors that affect the shares price in the pharmaceutical sector companies listed on the stock exchanges of Indonesia. Purpose of this study was to analyze and determine the influence of fundamental information that in proxy by return on assets (ROA), earnings per share (EPS), debt to equity ratio (DER), and dividend payout ratio (DPR), company size and growth sales toward shares price in the pharmaceutical industry are listed in the Indonesia Stock Exchange. The objectives are to determine and obtain empirical evidence of the influence of fundamental information that in proxy by return on assets (ROA), earnings per share (EPS), debt to equity ratio (DER), and dividend payout ratio (DPR), company size and growth sales toward shares price on the pharmaceutical industry companies listed on the Indonesia stock Exchange. The results are expected to be useful in decision making for issuers in conducting initial public offering on the stock exchange to obtain a good price and the offered shares can be sold all. For investors, the results of this study can be used as consideration in making the decision to invest in the capital market in order to obtain the return optimally, and for academics, as comparison of theoretical studies that have been obtained and it is hoped this research can be used as a reference for subsequent studies particularly those associated with this research.

THEORITICAL REVIEW

Information fundamentals. The fundamentals Information try to predict share prices in the future by estimating the value of the fundamental factors that affect share prices in the future, and applying the relationship variables in order to obtain the estimated shares price (Husnan, 2006). The factors are searched by using financial statements using ratio analysis that in proxy by return on assets (ROA), earnings per share (EPS), debt to equity ratio (DER), and dividend payout ratio (DPR).

Return on assets (ROA). Van Horne and Wachowicz (2009), said: "the rate of return on investment,also called the rate of return on assets is the ratio used to measure the overall effectiveness in generating profits through available assets; power to generating profits from capital invested ". ROA measures the company's ability to utilize its assets to make a profit. To calculate ROA, Ross, Westerfield, Jaffe and Jordan (2008) states, return on assets (ROA) is a measure of profit per dollar of assets. It can be defined several ways, but the most common is:

$$Return\ on\ Assets\ (ROA) = \frac{Net\ Income}{Total\ Assets}$$

The positive ROA shows that from the total assets used to operate, the company is able to provide profit for the company. Conversely, when a negative ROA shows that from the total assets used, the company got a loss. high value of ROA indicate that the company is able to generate profits in the future, and the company has a great opportunity to boost growth. Profit is important information for investors as a consideration in making an investment. High profitability of a company will reduce uncertainty for investors so will raise the stock price.

Earnings Per Share (EPS). Gitman (2005) states: earning per share (EPS) is the amount earned during the accounting period on each outstanding share of common, calculated by diving the periods total earning available for the firms common stockholders by the number of share of commonstock out standing. This means that the earning per share is a financial ratio that shows the amount of income on outstanding shares, which compares the income available to the common shareholders by the number of outstanding shares. EPS can be calculated by the formula:

$$Earnings\ Per\ Share\ (\text{EPS}) = \frac{Net\ Income}{Number\ of\ Outstanding\ Shares}$$

EPS is the net income available for common shares outstanding, so the EPS describe the amounts of money that is obtained for each share of common stock or net income per share of common stock. The larger value of EPS, the greater the profit/return received by shareholders. EPS is one of the important information for investors in the capital market for investment decision making. The amount of profit available to shareholders is net of income tax benefit. The variable earnings per share is a proxy earnings per share for the company that can give you an idea it calls for investors regarding the profits that can be obtained within a certain period by having a stock. High EPS of a company will reduce uncertainty for investors that will raise the price of the stock. Therefore, in general corporate management, common shareholders and prospective shareholders are very interested infigures. EPS is an indicator of the success of the company.

Debt To Equity Ratio (DER), Martono and Harjito (2003) states, the ratio of total debt to equity (total debt to equity ratio) is the ratio of total debt held company with its own capital (equity) and formulated:

$$Debt\ to\ equity\ ratio = \frac{Total\ Liabilities}{Owners\ Equity}$$

This ratio describes the company to meet all its obligations indicated by the proportion of equity capital used to pay off the debt.

Van Horne and Wachowicz (2009) State: A comparison of the debt to equity ratio for a given company with reviews those of similar firms gives us a general indication of the credit worthiness and financial risk of the firm. The comparison between the debt to equity ratio of companies in similar industries can provide an indication of the credit worthiness and financial risk of the company. According Syafri (2008), the smaller the ratio of debt capital for the better and the best ratio of external security if the amount of

capital is greater than or at least the same amount of debt. From these statements it can be concluded if the lower DER, the company's ability to pay its obligations, the better and vice versa higher DER showed a high dependence on the company's capital to outsiders so that the burden of the company is also getting heavier. for shareholders means that some of the profits generated by the company will be used to repay its obligations first. Therefore, the higher the company's liabilities will reduce the company's ability to pay dividends to shareholders, so it will affect stock returns. In other words, the value of the high DER negatively affect the company's performance.

Dividend Payout Ratio (DPR), Prastowo and Juliarty (2002) states: Dividend payout ratio measures the proportion of net profit per one ordinary share paid in the form of dividends. Meanwhile, according to Gibson (2001), the dividend payout ratio measure the portion of current earnings per common share being paid out individends. This means that the House measure part of EPS paid as dividends. DPR is the ratio between the dividends paid to net income in the can and usually presented in the form of a percentage of profits to be paid to the shareholders as a cash dividend. From the above understanding can be formulated to calculate the Parliament, namely:

$$\textit{Dividend Payout Ratio}\ (\text{DPR}) = \frac{\textit{Dividend Per Share}}{\textit{Earning Per Share}} \times 100\%$$

DPR will determine the amount of revenue to be held in the company as a source of funding. The higher of DPR will benefit the investors, but the company people will weaken the company's financial position as far retained earnings. But otherwise, less DPR will be detrimental to the shareholders but the company's financial position is getting stronger. In other words, DPR which high negative effect on the financial position of the company but positive effect for investors who want to invest their money as capital.

The size of the Company, according Widjaja (2009): Firm size (the size of the company) is a measure that shows great size of a company, such as total sales, the average level of sales, and total assets. Widjaja (2009), almost all companies saw size from its total asset The size of the total assets acquired is all assets owned by the company, which consists of current assets and fixed assets. From the above opinion, the size of the company using the book value of total assets or total assets as a proxy for size. In general, large companies have total assets greater so as to attract investors to invest in the company and eventually the stock price able to survive at a high price.

According Indrajaya, *et al* (2011) stated; given the value of the company's assets are greater then the process of calculating the total asset value is calculated in millions of rupiah and transformed into natural logarithm (Ln). Mathematically proxy size can be formulated as follows Size = Ln Total Assets

The level of uncertainty large scale enterprises is generally low due to the large scale companies tend not influenced the market, contrary to color and affect the state of the overall market. This situation can be expressed as the size of the risk level investai large-scale enterprise in the long term. While on a small scale enterprise level of uncertainty in the future is great, so that the level of investment risk is greater in the long term.

Sales Growth, Fabozzi (2000) states: the sales growth is the change in sales in the financial statements annually. Sales growth above the average of a company is generally based on the expected rapid growth

and industries in which it operates. Tita (2011) states that: the sales growth reflects the success of the manifestation of the investment period of the past and can serve as predictions of future growth. Sales growth is also an indicator of the demand and the competitiveness of companies in an industry. The growth rate of a company will affect the ability to maintain profitability in funding opportunities in the future. High sales growth, it will reflect the increased income that dividend payments tend to increase. The company's growth is a component to assess the company's prospects in the future. It was concluded that the company's growth is a component to assess the prospects of the company in the future and in financial management is measured based on changes in total sales of the company.

According to Harahap (2008), sales growth can be formulated as follows:

$$Sales\ Growth = \frac{Sales\ this\ \ year - Sales\ Last\ Year}{Sales\ Last\ Year}$$

Companies with stable sales growth will facilitate the company to obtain external funding streams. Companies with a growth rate higher sales and profits have a tendency to use debt as a source of external funding is greater than firms with low sales growth rate. High sales growth is always followed by an increase in funds used to finance the expansion.

Share Price, Van Horne and Wachowicz (2009) declare that: in general, the market value of an asset is simply the market price at which the asset (or a similar asset) trades in an open marketplace. In general, the market value of an asset is the market price at which an asset or a similar asset traded on the open market. Anaroga and Pakarti (2003), defines: the market price of shares is the stock price at the real price, and the price is most easily determined because it is the price of a share in the ongoing market or if the market is closed, then the price the market is the closing price. Saefudin (2001) states: the market price is the price of a stock on an ongoing market. If the stock market closed, the market price is the closing price. So the market price is what states rise and fall of share prices. The market price of shares is determined by investors through meeting demand and supply. Investors agreed to the price of a stock capital market closing price as a benchmark. High share prices indicates that the stock is actively traded, and if an actively traded stock, the dealer will not be long before the holding of shares traded. Thus the stock price also showed how well management duties on behalf of the holder of the shareholders. Shareholders who are not satisfied with the performance of the company can sell their shares and invest the money in other companies. Such actions if committed by shareholders will result in the decline in share prices in the market, because basically the high and low share prices are influenced by considerations of buyers and sellers on the condition of the company.

Paradigm Research and Formulation of Hypothesis

Based on the description above, the core of this research are how the fundamental information that in proxy by return on assets (ROA), earnings per share (EPS), debt to equity ratio (DER), and dividend payout ratio (DPR), as well as company size and sales growth on share prices the pharmaceutical industry companies listed on the Indonesia Stock Exchange. The study hypothesis was formulated:

H1: Return on assets (ROA) affects share prices.

H2: Earnings per share (EPS) affects share prices

H3: Debt-to-equity ratio (DER) affects share prices

H4: Dividend payout ratio (DPR) affects share prices

H5: Company size (size) affects share prices

H6: Sales growth (Growth) affects share prices

H7: Return on assets (ROA), earnings per share (EPS), debt to equity ratio (DER), dividend payout ratio (DPR), firm size (size), and sales growth (growth) simultaneously affects share prices.

The relationship of this research paradigm described in the following:

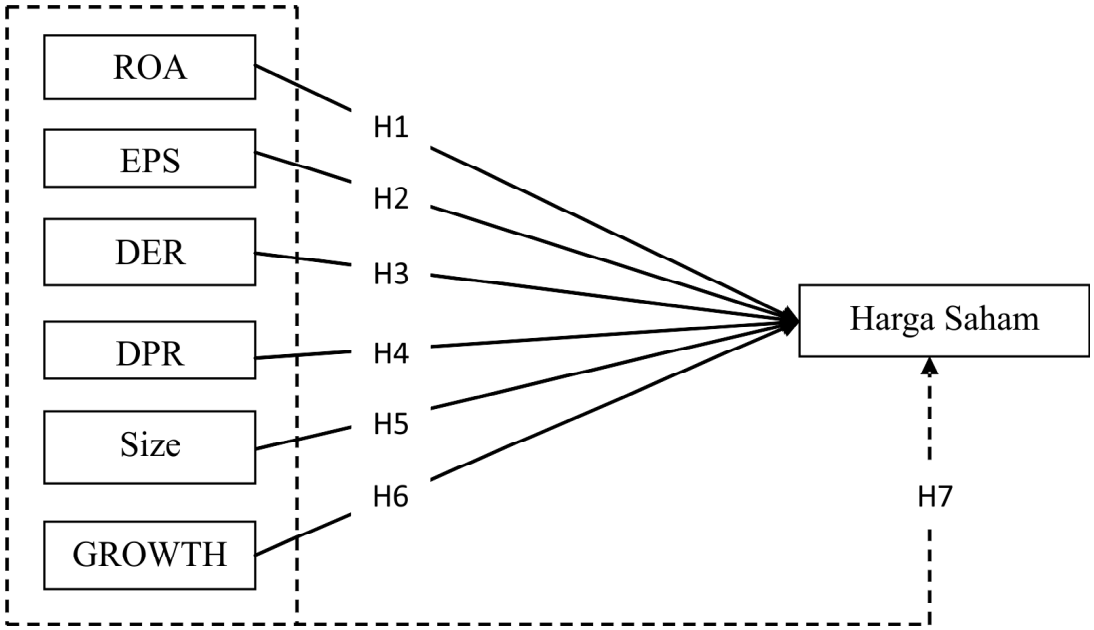

Figure 3: Research paradigm

RESEARCH METHODS

Design of research

The nature in this research is the design causal where it is useful to analyze the causal relations between the variables with other variables or how a variable affects other variables. The nature of the relationship between these variables is an asymmetrical relationship that occurs when the independent variables affect the dependent variable.

Population and Sample research

This took the population from companies listed on the Indonesia Stock Exchange, and the sampled are companies engaged the consumer goods industry pharmaceutical sector listed in Indonesia Stock Exchange 2010-2014 period, during which it was recorded 10 years old company engaged pharmaceutical sector.

The sampling method in this research is done by using purposive sampling, the method of selecting samples with specific criteria. Criteria samples in this study are:

1. Samples are companies engaged in the consumer goods industry pharmaceutical sector listed on the Indonesia Stock Exchange.
2. The company must be listed on the Indonesia Stock Exchange board during the period of observation that in 2010-2014, and the company never delisting of the Stock Exchange during the period.
3. the company publishes financial statements have been audited by Public Accountant and has been published for the period 2010-2014.

From the terms of the above is obtained as follows:

1. There are ten (10) companies engaged in the consumer goods industry pharmaceutical sector that listing on the Indonesia Stock Exchange 2010-2014 period.
2. there is one (1) new company went public in 2013 so it could not meet the criteria to be sampled thus the sample who are qualified in this study there are 9 companies

Analysis Methods

In this study, the author uses secondary data. Analysis and data processing were performed using SPSS 22.0 computer computerized applications. For the data obtained can be used then the data must pass the quality test data first were divided into classical assumption test, regression test, test hypotheses and test the coefficient of determination. To normalize the variable distribution, the transformation of data into the natural logarithm (ln) for the variable stock price and size of the firm.

Classic assumption test is divided into normality using the Kolmogorov-Smirnov test where the application of the Kolmogorov Smirnov test is that if the significance below 0.05 means that the data to be tested have significant differences with normal data standard, which means the data is not normal. Multicolinearity to see the value of tolerance and variance inflation factor (VIF) in the regression model. Autocorrelation by using test Durbin Watson, and heteroskedastisitas by using Glejser.

The equation / model of multiple linear regression analysis in this study as follows:

$$LNY = \alpha + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \beta 5LnX5 + \beta 6X6 + e$$

Where:

LNY = natural logarithm share prices, X1 = ROA, X2 = EPS, X3 = DER, X4 = DPR, LnX5 = the natural logarithm of company size, X6 = Sales Growth, α = Intercept (constant), $\beta 1$ ... $\beta 6$ = regression coefficient, E = error and fault tolerance (á) was set at 5% with a significant level of 95%.

Hypothesis test conducted consists of a t test to test the hypothesis of partial and F test to test hypotheses simultaneously. In testing the hypothesis coefficient of determination seen from the value of Adjusted R Square to show the contribution of the influence of the independent variable on the dependent variable.

RESULTS AND DISCUSSION

This study uses secondary data obtained from IDX Watxh. The number of companies engaged in the consumer goods industry pharmaceutical sector listed in Indonesia Stock Exchange period 2010 - 2014

there were 10 (ten) companies but qualified sample of 9 companies. Linear regression model is said to be a good model to be fulfilled in order to obtain the assumptions of classical regression model to estimate an unbiased and trustworthy testing. First, the normality test aims to test whether the regression model to meet the assumptions of normality that is both dependent and independent variables normal distribution or not. The results of testing test for normality using the one sample Kolmogorov-Smirnov test was obtained as follows:

Table 1
One-Sample Kolmogorov-Smirnov Test

		unstandardized Residual
N		45
Normal Parameters[a, b]	Mean	.0000000.
	Std Deviation	1.64333277
Most Extreme Differences	Absolute	.081
	Positive	.081
	Negative	-.063
Test Statistic		.081
Asymp. Sig. (2-tailed)		.200[c, d]

a. Test distribution is Normal.

B. Calculated from data.

C. Lilliefors Significance Correction.

D. This is a lower bound of the true significance.

The test results showed that variables already distributed normally because it has a value above 0.05 the significance probability of 0.200.

Furthermore, to detect the presence of multicollinearity problem, it can be done by looking at the value of Tolerance and Variance Inflation Factor (VIF). Value VIF greater than 10 then indicated that model has symptoms of multicollinearity in the regression model. The test results are shown in Table 2 :

Table 2
Multicollinearity Test

Model		*collinearity Statistics*	
		Tolerance	*VIF*
1	(Constant)		
	ROA	.445	2.248
	EPS	.582	1.718
	DER	.604	1.657
	DPR	.589	1.699
	LNSIZE	.722	1.385
	GROWTH	.684	1.463

multicolinearity test found that, all independent variables Tolerance Values greater than 0.10, and value VIF all independent variables are smaller than 10. Based on the above values do not occur multikolinearitas concluded between independent variables in this regression model.

Autocorrelation test whether the regression model no linear correlation between bullies error in period t with spam error in period t-1. Autocorrelation is used in regression models for which data time series (Ghozali, 2005). If there is a correlation, then there is a problem of autocorrelation. To detect whether there is a need autocorrelation Durbin-Watson test was used, where the hypothesis to be tested is:

1. DW figure below -2, meaning there is positive autocorrelation
2. DW digits between -2 to +2, meaning no autocorrelation.
3. Figures DW above + 2, the negative autocorrelation.

Here is the result of autocorrelation test:

Table 3
Autocorrelation test

Model	*Durbin-Watson*
1	1.008

Based on Table 3 shows the Durbin-Watson value of 1.008. Because the DW numbers are between -2 to +2, this means that there is no autocorrelation problem. So it can be concluded in the regression model there is no correlation between bullies error in period t with pengggangu error in period t-1.

In testing heteroscedasticity in this study the researchers conducted using Glejser. In principle Glejser method is done by regressing the absolute unstandardize residual and the independent variables. If there are no variables that the significance level of less than 0.05, then conclude the regression model does not contain any symptoms of heteroscedasticity. The results of heteroscedasticity test:

Table 4
Heteroscedasticity Test

Model		*Sig.*
1	(Constant)	.005
	ROA	.108
	EPS	.076
	DER	.160
	DPR	.689
	LNSIZE	.091
	GROWTH	.146

Table 4 showed there was no independent variables are statistically significant affecting unstandardize absolute residuals variable. This is evident from the significance level over 0.05. So we can conclude regression model did not containing heteroscedasticity.

The research hypothesis is tested by multiple linear regression analysis between the dependent variable and independent variables. The significance of the regression model provides the basis for accepting or rejecting the hypothesis of the study. Conclusions on the hypothesis of each independent variable is determined by the positive or negative sign, and its significance to the regression coefficient variable in question. T tests were used to test the significance level of influence of each independent variable on the dependent variable. While the F-test was used to test the effect of independent variables on the dependent variable together.

The results of multiple linear regression analysis are shown in Table 5.:

Table 5
Multiple Linear Regression Analysis

Model		*unstandardized Coefficients*		*Standardized Coefficients*		
		B	*Std. Error*	*Beta*	*t*	*Sig.*
1	(Constant)	12.187	3.298		3.695	.001
	ROA	.090	.032	.430	2.802	.008
	EPS	9.577E-6	.000	.133	.996	.326
	DER	-.036	.011	-.423	-3.214	.003
	DPR	-.008	.011	-.094	-.707	.484
	LNSIZE	-.260	.247	-.127	-1.054	.298
	GROWTH	.009	.015	.072	.583	.563

a. Dependent Variable: LNPrice

Based on the results of multiple linear regression analysis in Table 5., among the variables return on assets, earnings per share, debt equity ratio, dividend payout ratio,company size and sales growth on share prices, it can be arranged regression equation as follows:

LnY = 12,187+0,090X1+9,577X2-0,036X3-0,008X4–0,260LnX5+0,009X6+e

Based on the regression equation is obtained, then tested the study hypothesis. The significance of the regression model provides the basis for accepting or rejecting the hypothesis of the study. Conclusions on the hypothesis of each independent variable is determined by the value of Sig (significance) and t test (t-test). T tests were used to test the significance level of influence of each independent variable on the dependent variable. Test research hypotheses as follows:

1. **Testing variable Return On Assets (ROA):** ROA influence parameter test results obtained by value t arithmetic amounted to 2,802. T-table with df = n - k - 1 = 45 - 6-1 = 38 obtained t-table is 1,686. So we get the value t count bigger than t-table (2,802 > 1.686). In addition it shows the level of significance of 0,008 which is smaller than the significance level of 0,05. It can be concluded that the hypothesis one proposed in this study namely H1: Return on assets effect on share prices be accepted. This shows that the use of total assets of the company as well (current assets and fixed assets) will increase the company's stock price so as to attract more investors to invest in the company.
2. **Testing variables Earnings Per Share (EPS)**: EPS variable test results obtained by value t count equal to 0,996. T-table with df = n - k - 1 = 45 - 6-1 = 38 obtained t-table is 1,686. To test the

hypothesis, the obtained t count 0,996 < t-table 1,686 with a significance level of 0,326. The significance level variable EPS is above than the level of significance of 0,05 could be concluded that the hypothesis 2 i.e H2: Earnings per share effect on share prices declined, which means that the variable EPS no significant effect on share prices.

3. **Testing variable Debt to equity ratio (DER)**: Results DER variable testing provides t-count value of -3,214. T-table with df = n - k - 1 = 45 - 6-1 = 38 obtained t-table is 1,686. To test the hypothesis, the obtained t count -3,214 <t-table 1,686 with a significance level of 0,003. DER variable significance level under 0,05 significance level can be concluded that the hypothesis 3 to the H3: debt to equity ratio (DER) effect on share prices is received. In other words, the value of DER affect the company's performance.

4. **Testing variable dividend payout ratio (DPR)**: The test results variable dividend payout ratio gives a value of -0,707 t-test, t-table with df = n - k - 1 = 45 - 6-1 = 38 obtained t-table is 1,686. To test the hypothesis, the obtained t count -0,707 <t-table 1,686 with a significance level of 0,484. The significance level variable dividend payout ratio that is above of the 0,05 significance level can be concluded that the hypothesis 4 that H4: Dividend payout ratio (DPR) on share prices declined. This means that the variable dividend payout ratio have no significant effect on share prices.

5. **Testing the variable firm size:** Variable test results give a company the size of the natural logarithm t-count value of -1,054. T-table with df = n - k - 1 = 45 - 6-1 = 38 obtained t-table is 1,686. To test the hypothesis, the obtained t count -1,054 <t-table 1,686 with a significance level of 0,298. The significance level variable size companies it sits on top of the 0,05 significance level can be concluded that the hypothesis that H5: company size influence the stock price declined, which means that the variable size of the company no significant effect on the magnitude of the stock price.

6. **Testing variable sales growth:** sales growth variable test results give a value of 0,583 t-test. T-table with df = n - k - 1 = 45 - 6-1 = 38 obtained t-table is 1,686. To test the hypothesis, the obtained t count 0,583 <t-table 1,686 with a significance level of 0,563. The significance level variables that are above sales growth from the 0,05 significance level can be concluded that the hypothesis 6 that H6: Sales growth (Growth) influence the stock price declined, which means that sales growth variables did not significantly influence the magnitude of the stock price.

7. **Simultaneous Test:** Test F is used to test the hypothesis of the influence of the independent variable on the dependent variable simultaneously (H7). The F test results are shown in Table 6.

Table 6
F Test

ANOVA[a]

Model		*Sum of Squares*	*df*	*Mean Square*	*F*	*Sig.*
1	Regression	180.179	6	30.030	9.604	.000[b]
	Residual	118.824	38	3.127		
	Total	299.003	44			

a. Dependent Variable: LNPrice
b. Predictors: (Constant), GROWTH, LNSIZE, ROA, DER, DPR, EPS

Based on Table 6. shows the F value of 9,604 with a significance test of 0,000002. The significance value less than 0,05. It can be concluded that simultaneous share prices can be explained by the variation of the variable return on assets, earnings per share, debt to equity ratio, dividend payout ratio, company size and sales growth.

Furthermore coefficient determination test aims to determine how much contribution/influence of independent variables the variable return on assets, earnings per share, debt to equity ratio, dividend payout ratio, company size and sales growth on the dependent variable is share price. The coefficient determination test results as follows:

Table 7
Koefisien Determinasi

Model	R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
1	.776[a]	.603	.540	1.76832

a. Predictors: (Constant), GROWTH, LNSIZE, ROA, DER, DPR, EPS

b. Dependent Variable: LNPrice

From the display, the amount of output adjusted R^2 was 0,540. This means 54% of the stock price variable can be explained by variations into six independent variables namely return on assets, earnings per share, debt to equity ratio, dividend payout ratio, company size and sales growth together. While the remaining 46% is influenced by other variables outside the model study.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

The purpose of this study was to examine the factors that affect share prices of companies that have go public in Indonesia Stock Exchange pharmaceutical sector in 2010-2014 , From the results of the testing done shows that:1. There significant influence return on assets to the stock price, proven value t count bigger than t-table thus Ha accepted and Ho rejected. This shows that the ROA information that shows the company's ability to generate net income from the use of total assets of the company (current assets and fixed assets) will increase the company's stock price so as to attract more investors to invest in the company. 2. There is no significant effect of earnings per share the stock price, this is evidenced t <t-table, and is therefore Ha rejected and Ho accepted. This indicates that the value of EPS is not a benchmark for investors in taking the decision to raise the price of their shares. 3. There negative effect of debt to equity ratio (DER) on share prices, this is evidenced DER variable significance level under the 0,05 significance level. This shows that the higher the company's liabilities will reduce the company's ability to pay dividends to shareholders, so it will affect stock returns and firm performance. 4. No significant influence dividend payout ratio on share prices. This is evidenced t <t-table, and is therefore Ha rejected and Ho accepted. It shows that for companies in the pharmaceutical sector, large dividend payout ratio has no effect on share prices. 5. There is no significant effect of firm size on share prices, this is evidenced t <t-table thus Ha rejected and Ho accepted , This indicates that the total assets of the company can not be used as information see the company's performance, should see also the liabilities in asset financing either from debt or capital.

6. There is no significant effect of sales growth in the stock price, this is evidenced t-count <t-table thus Ha rejected and Ho accepted. This shows that in the company's pharmaceutical sector, sales growth can not be made in view of corporate performance information is reflected in share prices. 7. Based on the results of the F test to test the hypothesis of the influence of the independent variable on the dependent variable together (H7) producing results simultaneous share prices can be explained by the variable return on assets, earnings per share, debt to equity ratio, dividend payout ratio, company size and sales growth. 8. Variation of variable return on assets, earnings per share, debt to equity ratio, dividend payout ratio , company size and sales growth influencing variable stock price by 54%, while the remaining 46% is influenced by factors or other variables outside the model study.

Suggestions

As for suggestions that could be given for the improvement of this study later divided into operational advice and suggestion of science development. Operational advice to apply to issuers and investors is:

For issuers: 1. Issuers are expected to prepare financial statements fairly in accordance with the actual condition of the company. This is done in order to maintain the credibility of listed companies to prospective investors, and can present valid data for subsequent studies that are useful for academics, investors and corporate issuers themselves. 2. Issuers should consider the number of shares held by founders and existing shareholders. The proportion of shares withheld from founders and existing shareholders if a large enough lead to interference too dominant of founders and existing shareholders. This can lead to lack of information.

For investors, 1. Investors should consider all kinds of fundamental information before making an investment decision stake in the capital market. 2. Investors need to be careful in making the decision to invest in the current conditions of the world economy to decline given in this study, researchers took a sample period starting in 2010 to 2014 as in the year 2013 to the period 2014 world stock markets weakened due to the state of the rise in crude oil prices which resulted also in a decrease in Indeks Harga Saham Gabungan (IHSG) and the reduction in transactions in the Indonesian stock Exchange (BEI) so there is a need for investors to consider factors macro.

Suggestion development of science that can be used for further research are: 1. The study period should be extended to increase the number of samples, so as to obtain the distribution of better data. 2. The independent variables to be studied can be coupled with the factors financial variables such as price earnings ratio (PER), financial leverage, liquidity ratio**,** total asset turnover (TATO), price to book value (PBV), and the variable factors other financial, as well as factors of non-financial variable such as auditor reputation and the reputation of underwriter or underwriters. 3. Subsequent research could also use the macro factors such as inflation rate factors, market conditions, exchange rate, interest rate and other macro factors as the macro factors thought to have an influence on the price of stock trading transactions.

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