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FINANCIAL MANAGEMENT EARNINGS PER SHARE BASED ON FINANCIAL RATIOS IN COMPANIES IN THE INDUSTRIAL SECTOR IN INDONESIA

By

Assoc. Prof. Dr. Masno, S.E., M.M...
Lecturer of Master of Management Study Program. Graduate Program.
Pamulang University. Bantam. Indonesian.

Corresponding author: dosen00124@unpam.ac.id

ABSTRACT:

This study aims to examine the effect of financial management on earnings per share and liquidity, leverage, and profitability of industrial companies. This research method uses qualitative descriptive methods, data analysis techniques using the Classical Assumption Test, Multiple Linear Regression, partial and simultaneous hypothesis testing, and coefficient of determination. The analysis tool uses the SPSS program. The sample of this study using financial data is secondary data in the form of complete financial statements for 11 years. The study concluded that financial ratios simultaneously have a significant influence on financial management earnings per share. This result is proven based on the acquisition of a hypothesis test obtained from the calculation of the f-table >, namely (16.418>4.74) then shows a significant value of >α, namely (0.003<0.05), then Ho4 is rejected and Ha4 is accepted, while the financial ratio partially does not affect the financial management of earnings per share. Recommendations for companies to carry out good profit financial management and efficiency measures in meeting investor expectations. In addition, the company's financial ratio is a positive signal for investors in making investment decisions.

KEYWORDS:

Financial ratios, financial management Earnings per share.

1. Introduction

The pharmaceutical industry is one type of industry that produces various kinds of drugs for health. The pharmaceutical industry is very competitive in terms of optimizing business operations, and this industry is one of the right choices for investors to invest with high returns. This is supported by the times, the rapid development of hospitals, medical device businesses, and various medicines. Pharmaceutical companies are among the companies with a large market share in India, with sales increasing by 12% to 13% annually. In addition, domestic companies control more than 70% of the total pharmaceutical market in Indonesia (Annisa, 2019). Pharmaceutical companies listed on the Indonesia Stock Exchange achieved positive growth due to increased sales of drugs from various classes and increased health awareness.

The level of achievement of Earning Per Share PT. SM, Tbk, Herbal, and Pharmaceutical Industries from 2013 to 2022 showed fluctuating developments. Net profit increased in 2013 and net profit decreased in 2014 and from 2015 to 2021, net profit increased significantly. The highest net profit was in 2021 with a value of Rp. 1,260,898 and the lowest net profit in 2014 was Rp. 115,910. Meanwhile, in outstanding shares, the value remains unchanged from 2013 to 2022, which is Rp. 1,500,000.

Earnings Per Share (EPS) can be called essential for corporations because it can increase the company's stock price. If corporation

Having the ability to create a large level of profit in each share, means that the corporation has more funds that can be reinvested in its business or distributed to stakeholders in the form of dividend payments. *Earnings Per Share* is also the first essential part that needs to be considered in corporate stock analysis activities. The decline can be corrected by the corporation by increasing its net profit. Earnings *Per Share* is a measurement of the profit obtained from each share. If the comparison obtained is low, it means that the corporation is not creating optimal performance by focusing on income.

Furthermore, current assets can be a signal to investors related to the company's future cash flows, mentioning that large companies usually have more diversified business lines and are less likely to fail in the future (Ohlson, 1980). This is supported that large companies usually have high asset growth opportunities, sothese conditions can provide opportunities for companies to get higher profits in the future. This condition will have a positive impact on the company's stock return in the capital market. Lipson et al. (2011) and Cooper et al. (2008) stated that companies that experience rapid asset growth will utilize debt funding as a tool to help the company grow. This is in line with the statement of Dewi &Sudhiarta (2017) that asset growth can affect capital structure.

Testing conducted by Machado &and Faff (2018) found that asset growth does not affect stock returns. Tumonggor, et al. (2017) found that the growth of current assets has a positive influence on earnings per share. Anggrahini&; and Priyadi (2016) and Aini, et al. (2020) concluded that the growth of current assets did notaffect earnings per share finding an insignificant impact on asset growth on stock returns.

Therefore, the difference in test results resulted in the need to re-examine the effect of current asset growth on earnings per share. This study aims to examine the effect of financial management on the profit and growth of current assets, net profit margins, capital, and debt in companies in the herbal and pharmaceutical industry sector. The difference between this study and previous research is related to the use of profit management proxies. This study used proxies used by Jaggi, et al. (2009), namely using current discretionary accruals, while Adiwibowo (2018) and Uswati&; Mayangsari uses real

profit management such as Rochowdury (2006). Fitrianingsih (2018), Istiqomah&; Adhariani, and Yusrianti&; Satria (2014) use the dispensation accrual of the modified Jones developed by Dechow, et al. (1995). The consideration of using current discretionary accrual for-profit management proxy is related to the data used in this study, namely company data in the herbal and pharmaceutical industry that relies more on current assets, debt, and capital as well as net profit margin in company operations.

2. Literature review

Economic development in the current era of globalization is growing rapidly, making companies need large enough funds to be able to compete and run their business activities. To obtain these funds, companies seek them through the capital market which is used as an alternative source of funds for the company. The capital market is a market where sellers and buyers of long-term financial instruments such as stocks, bonds, mutual funds, warrants, and others meet. In the capital market, companies can sell their financial instruments to investors to get additional funds, while investors can channel their funds to buy these financial instruments for profit. Therefore, the capital market has an important role in a country's economy and is often used as an indicator to measure the economic progress of a country, including Indonesia.

The progress of a capital market can be influenced by whether or not a market is efficient. An efficient capital market is a capital market that provides information quickly and easily to investors where the information is reflected in the prices of securities traded in the capital market so that investors do not have to bother looking for information related to these securities. With the efficiency of the capital market, investor confidence will increase due to transparency in the delivery of information, especially if the information is complete, precise, and accurate.

Investors who will invest in the capital market need information, especially those related to the company's financial performance, because information is a basic need for investors. By knowing the company's financial condition, investors can predict how the company's prospects will be in the future, how the price and prospects of the securities to be selected, how much profit the company can provide to investors for the capital they invest, as well as other useful information. Among the various financial instruments traded in the capital market, shares are the most popular financial instrument for investors. Shares are a sign of capital ownership of a person or business entity in a company. Investors are interested in buying stocks because stocks promise large profits to their owners, both in the form of dividends and capital gains. But behind the promised benefits, stocks are also among the financial instruments that contain high risk. This is because the nature of stocks is very sensitive to changes that occur.

Analysis of the company's financial condition is the first step that is often taken by investors when deciding to invest in stocks. Investment decisions are very important for companies because these decisions can affect the amount of capital and financial performance of the company. In analyzing the condition of the company, investors will pay the main attention to the profits they will get. In addition to profits, another thing that investors pay attention to is the stock price. The share price has an important meaning because the share price can affect investor interest and confidence to buy shares as a form of investment in a company.

2.1. Financial Management of profit per share (EPS)

According to SukmawatiSukamulja (2019: 103), the definition of Earning Per Share (EPS)is "Earning PerShare (EPS) is a ratio used to measure how much of a company's net profit is contained in one outstanding share".

Meanwhile, according to Eduardus Tandelilin (2017: 373), the definition of Earning Per Share (EPS), Earning Per Share is information about a company showing the amount of the company's net profit that is ready to be distributed to all shareholders of the company". The formula for calculating Earnings Per Share is as follows;

$$\text{Earnings PerShare} = \frac{\text{Net Profit}}{\text{Circulating Stocks}} \text{x100\%}$$

Based on the statement above, it can be said that Earnings Per share (EPS) is a ratio to measure the profit received from each share. If the ratio obtained is low, it means that the company does not produce good performance by paying attention to revenue. Low revenue due to non-current sales or high costs.

Several the rise and fall of Earnings Per Share (EPS). According to Brigham and Houston (2019: 23), the factors causing the increase and decrease in Earnings Per Share (EPS) are:

Factors causing the increase in Earnings Per Share (EPS):

a) Net income rises and the number of common shares outstanding remains.
b) Net income remained and the number of common shares outstanding fell.
c) Net income rises and the number of common shares outstanding falls
d) The percentage increase in net income is greater than the percentage increase in the number of ordinary shares outstanding.
e) The percentage decrease in the number of ordinary shares outstanding is greater than the percentage decrease in net income.

Factors causing the decline in *Earnings Per Share* (EPS):

a) Net income remained and the number of common shares outstanding increased.
b) Net income fell and the number of common shares outstanding remained.
c) Net income fell and the number of common shares outstanding rose.
d) The percentage decrease in net income is greater than the percentage decrease in the number of ordinary shares outstanding.
e) The percentage increase in the number of ordinary shares outstanding is greater than the percentage increase in net income.

2.2. Liquidity Ratio

The definition of liquidity according to Cashmere (2016: 128) is: "The ratio that shows the company's ability to pay its short-term debt that is due or the ratio to determine the company's ability to finance and fulfill obligations when billed". According to Sukamulja (2019), the liquidity ratio reflects the company's ability to pay off its short-term obligations, or how quickly the company can convert its assets into cash.

The liquidity ratio is very important for short-term creditors because it can show short-term credit risk while showing the efficiency of using the company's short-term assets. According to Kariyoto

(2017: 128), "Liquidity is the ability of a company to meet its financial obligations in the short term, or the company's ability to meet its recurring obligations when billed".

Based on the two definitions above, it can be concluded that liquidity is the company's ability to pay its short-term obligations (current debt) when due.

The Current *ratio is* the company's ability to pay debts that must be immediately met with current assets (Riyanto, 20197: 332). *The current ratio* can be calculated by comparing the amount of current assets with current debt. Current assets describe the means of payment and it is assumed that all current assets can be used to pay. Current debt describes the obligations that must be paid and assumed obligations that are paid by the formula:

$$\text{Current Ratio} = \frac{\text{Current Asset}}{\text{Current liabilities}} \text{x100\%}$$

2.3. Solvency Ratio

According to Cashmere (2018: 151), "The solvency ratio or leverage ratio is a ratio used to measure the extent to which the company's assets are financed with debt." According to ovianti et al (2018: 132) "This ratio shows the level of debt used by the company to finance the company's operations."

Based on the above definition, the researcher concludes that the solvency ratio is a way to hit a company that is growing at a cost by debt.

Debt to Equity Ratio (DER)

Debt to the Equity Ratio is a ratio used to assess debt against equity.

Is a comparison between debt and equity in the company's funding and shows the ability of its own capital, the company to meet all its obligations.

This ratio can be calculated by the formula, namely:

$$\text{Debt to Equity Ratio} = \frac{\text{Total Debt}}{\text{Equity}} \text{x100\%}$$

2.4. Profitability Ratio

A company has an ultimate goal to achieve, namely obtaining maximum profit or profit. To measure the level of profit of a company, the profitability ratio is used which is also known as. According to Kasmir (2018:196), "Profitability is a ratio to assess a company's ability to make a profit. In ratio analysis, the ability to generate profits from sales and investment income." According to Kasmir (2018:196), "Profitability ratios are ratios to assess a company's ability to seek profits." According to Sukamuja (2017) "States that profitability ratios are ratios that measure a company's ability to generate profits." According to ovianti et al (2018:132), "Profitability is the company's ability to generate profits." Based on the opinions of the experts above, it can be concluded that the profitability ratio is a ratio used to measure the level of effectiveness of company management as shown by the amount of profit generated from sales and investment.

Bastian and Suhardjono (2020: 299) suggest that Net Profit Margin is "The comparison between net profit and sales. The greater the NPM, the more productive the company's performance will be, so it will increase investor confidence to invest in the company."

Another opinion from Cashmere (2019:199) Net Profit Margin is "One of the ratios used to measure profit on sales margin. The way this ratio is measured is by comparing net income after tax with net sales".

Based on the understanding of the experts above, it can be concluded that Net Profit Margin is a ratio that shows how much percentage of net profit is obtained from each sale. The higher the Net Profit Margin, the more investors like the company because it shows that the company is getting good results beyond the cost of goods sold.

The formula for finding Net Profit Margin according to Cashmere (2019: 200) is as follows:

$$\text{Net Profit Margin} = \frac{\text{Net Profit}}{\text{Income}} \text{ x100\%}$$

Hypothesis

Based on the research on the conception of the thinking framework that has been developed in the previous sub-chapter, it will be analyzed in this study. As for the hypothesis or temporary conjecture, among others:

The Effect of Current Ratio on Earnings Per Share

The current ratio reflects the ability of a company's current assets to cover current liabilities or short-term debt. For companies, paying attention to these abilities is considered important in seeing the value of profits that can be obtained. A good current ratio from 1.5 to 3. However, the ideal current ratio figure returns to each industry. A good current ratio figure shows that the company can pay all its short-term debts with its current assets, so there is less risk of delay so that maximum profit can be achieved.

Based on the results of research conducted by YunitaSigalingging (2021) entitled The Effect of Current Ratio, Debt To Equity Ratio, Return On Asset and Total Asset Turn Over on Earning Per Share in manufacturing companies on the IDX in Jakarta, her research resulted in the conclusion that there is a significant influence between the current ratio to Earning Per Share with a coefficient of determination of 26.20%, The hypothesis test obtained t calculate < t table (-1.659 < 1.97500), this contains the understanding that there is a significant influence between the current ratio and Earnings Per Share.

The results of the research that the author conducted, are inversely proportional or not the same as the results of research conducted by Muhammad Subhan Nurul Usman (2019), entitled Analysis of the Effect of Current Ratio, Debt To Equity Ratio, Net Profit Margin, and Firm Size on Earning Per Share in Basic Industrial and Chemical Sector companies listed on the IDX in 2014-2018, In his research resulted in the conclusion that there is no significant influence between the Current Ratio to Earnings Per Share with a coefficient of determination of 63.99% and the hypothesis test of the value of t calculated < t table, namely (-1.649570<-2.03951), this contains the understanding that there is no significant influence between the Current Ratio to Earnings Per Share.

The Effect of Net Profit Margin on Earnings Per Share

High Net Profit Margin makes a real contribution to influencing the high Earnings Per Share that the company shares with investors. According to Usman et al. (2019), The higher the Net Profit Margin, the better because it reflects the company has optimized sales. So this will affect the high level of net profit also for the company. If the company earns a high net profit, then the company is considered to be able to leave high profits also for every share owned by the company to investors. This means that a high Net Profit Margin can be a positive signal for investors who want to invest in the company.

This is in line with research conducted by Edi Wijayanto and Muhammad Rois (2022) entitled Analysis of the Effect of Net Profit Margin, Return On Equity, Debt To Equity Ratio, and Current Ratio on Earnings Per Share in Companies in the Goods and Consumer industry sector listed on the IDX, in his research it resulted in the conclusion that there is a significant influence between Net Profit Margin and Earnings Per Share with a determination of 96.02%, the hypothesis test obtained t calculate < t table (10.15391 > 2.03951).

The Influence of Debt-Equity Ratio on Earnings Per Share

Debt to Equity Ratio shows the ability of the company's capital to meet obligations or debts to outside parties. The lower the Debt-equityratio, the better because it means the company's performance is good. This can affect the company's profitability level or the company's profit level in each share. Because if the company's companyprofit rises, the company's Earnings Per Share will also increase.

This is supported by research conducted by YunitaSigalingging (2021), entitled The Effect of Current Ratio, Debt to Equity Ratio, Return on Asset and Total Asset TurnoverEarning Per Share in Manufacturing Companies Listed on the Indonesia Stock Exchange in her research resulting in a significant effect on DebtEquity Ratio on Earnings Per Share With a determination of 26.20%, the hypothesis test obtained t calculate < t table (-0.883 < 1.97500)

The results of the research that the author conducted, are inversely proportional or not the same as the results of research conducted by A.A. Cynthia Bahari Dewi (2021), entitled The Effect of Debt Equity Ratio, Current Ratio, and Total Asset Turnover on Earnings Per Share in property, real estate and building construction companies listed on the IDX, in her research resulted in the conclusion that there was no significant influence. significant between Debt-to-Equity Ratio to Earnings Per Share with a coefficient of determination of 28.2% and test the hypothesis of t value calculated < t table which is (0.639<2.03951), this contains the understanding that there is no significant influence between DebtEquity Ratio to Earnings Per Share

Effect of Current Ratio, Net Profit Margin, and Debt Equity Ratio on Financial Management Earnings Per Share

The current ratio allows a company's ability to pay its short-term liabilities using its current assets. The liquidity position of a company is an important factor that must be considered before deciding to determine the amauntof dividends to be paid to shareholders. Based on the explanation above, it can be concluded that the higher the level of liquidity of a company, the level of profit received by investors is also greater so it can be concluded that the current ratio has a positive influence on earnings per share.

H1: Current Ratio Affects Earnings Per Share

Net Profit Margin shows that the company's performance is getting better or worse which will have an impact on shareholders, whether it will increase investment confidence and investor profitability, or even make shareholders earn low profits. If investors believe and are interested in investing shares in the company, it will cause the stock price to increase, so it can be concluded that Net Profit Margin has a positive influence on earnings per share.

H2: Net Profit Margin affects Earnings Per Share.

Debt Assets Ratio (DER) is a ratio used to measure the level of leverage (use of debt) in financing assets. Companies that have high leverage the greater obligations owned by the company, so the impact on dividend distribution is smaller because the profits obtained are used to cover obligations. With this occurrence, investors can analyze the company's obligations to estimate income from investments in the form of future profits. The increase in debt will affect the size of net income available to shareholders including the profit received because the obligation to pay debt takes precedence over profit sharing, so it can be concluded that the Debt Equity Ratio has a positive influence on earnings per share.

H3: Debt Equity Ratio affects Earnings Per Share.

According to Putri Renalita Sutra Tanjung (2022) The effect of the Current Ratio, Debt To Equity Ratio, and Net Profit Margin, on stock prices with Earning Per Share as a moderating variable in 2017-2019 where in her research it was concluded that the influence of Current Ratio, Debt To Equi-y Ratio and Net Profit Margin simultaneously had a significant effect on Earnings Per Share with an influence of 75.8% and the hypothesis test obtained F value calculated > F table (66.194 > 2, 70). Therefore the hypothesis for all variables X to Y is accepted.

3. Methodology

3.1. Types of Research

This type of research is Quantitative Descriptive research, which provides a clear picture of the results of the analysis to find accurate results.

3.2. Population

The population in this study was taken from secondary data, namely data from herbal and pharmaceutical industry companies SM, listed on the Indonesia Stock Exchange for the period 2013-2022.

3.3. Data Analysis Techniques

1. Normality Test, to find out whether the residual value (existing difference) studied has a normal or abnormal distribution.
2. Multicollinearity test, to test whether the regression model finds correlations between independent variables.
3. Heteroscedasticity test, to determine any deviation from the assumption requirements
4. Classical on linear regression.
5. Multiple Linear Regression Test, is a regression model equation in which the number of independent variables is more than one.
6. T-test (partial), to determine the effect of the independent variable on the individual dependent variable.

7. F (Simultaneous) test, to see the effect of variable X on Y simultaneously or simultaneously.
8. Test R2, to find out how much the relationship of several variables in a clearer sense

4. Results and Discussion

4.1. Normality Test Results

One more alternative method that can be taken to perform the normality test, is namely using the Komogorov-Smirnov Test. The results of the Kolmogorov-Smirnov (K-S) One-Sample Non-Parametric statistical test in this study can be seen in Table 1 as follows.

The test in this study applies the Kolmogorov-Smirnov Test with the significance condition α > 0.050 with the following results.

Table 4.1
One-SampleKolmogorov-SmirnovTest

		Unstandardized Residual
N		10
Normal Parameters[a,b]	Mean	.0000000
	Std.Deviation	.08509062
Most Extreme Differences	Absolute	.226
	Positive	.125
	Negative	-.226
Test Statistic		.226
Asymp.Sig.(2-tailed)		.159[c]

a. TestdistributionisNormal.
b. Calculatedfromdata.
c. LillieforsSignificanceCorrection.

Source: Hasil Output SPSS 25, 2024

From the above results, a signal coefficient of 0.159 > 0.050) was obtained. So that the assumption of distribution can be said to be normal. This test is also carried out by applying probability plot graphs where residual variables can be detected by reviewing the distribution of various residual points in the direction of diagonal lines, this is in line with the acquisition of distribution diagrams that are processed with the following SPSS Version 25:

Uji Multikolinearitas

This test is carried out to ensure thatindependent variables do not have multicollinearity. This should not happen in a good regression model. This test can be carried out by reviewing TV and VIF provided that if the VIF coefficient >10 and the tolerance value is > 1, there is an indication of multicollinearity. If the coefficient is VIF < 10 and the tolerance value is < 1, then it states the opposite. Test results using SPSS Version 25 are:

Table 4.2
Hasil Uji Multikolinearitas
Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.	Collinearity Statistics	
		B	Std.Error				tolerance	VIF
1	(Constant)	.394	.533		.739	.488		
	CR(X1)	-.067	.038	-.792	-1.766	.128	.090	11.105
	NPM(X2)	2.513	1.152	.438	2.181	.072	.449	2.226
	DER(X3)	-1.022	2.816	-.183	-.363	.729	.071	14.049

a. DependentVariable:EPS(Y)

From the calculation of the above test, the tolerance value of the Current Ratio variable is 0.090, NPM is 0.449 and DER is 0.071, where the three values are <1, and the VIF value of the Current Ratio variable is 11.105, Marfgin's Net Profit is .226 and Debt to Equity Ratio worth 14.049 where the third coefficient is <10 so that the model is not disturbed by multicollinearity.

Heteroscedasticity Test

This test is intended to identify residual variance dissimilarities in a regression model. Incorrect detection attempts heteroscedasticity is with the lesser test where the acquisition of this test can review the variance dissimilarity from the residual of one observation to another. The determination for the occurrence or failure of this disorder is that if the independent variable (X) sig coefficient is < 0.05, it is disturbed by heteroscedasticity. If the sig coefficient is > 0.05, it states the opposite. The results of this test are as follows:

Table 4.3
Hasil Uji Heteroskesdastisitas
Coefficients

Model		Unstandardized Coefficients			Standardized Coefficients Beta	t	Sig.
		B	Std. Error				
1	(Constant)	.394	.533			.739	.488
	CR(X1)	-.067	.038		-.792	-1.766	.128
	NPM(X2)	2.513	1.152		.438	2.181	.072
	DER(X3)	-1.022	2.816		-.183	-.363	.729

a. DependentVariable:EPS(Y)

From the data obtained above, the Current Ratio variable obtained a Signya coefficient of 0.128, a Net Profit Margin Sig of 0.072, and a Debt To equity-ratio Sig of 0.729 where the three Signya coefficients > 0.05 so that the regression model is not disturbed by heteroskedasticity and is adequate to be applied to research data.

Testing can also be done by reviewing the scatter plot graph between the predicted value of the bound variable (ZPRED) and its residual value (SRESID) by determining if the tactic point creates a

special shape, for example, a large wave that expands and narrows then is disturbed by heteroscedasticity. While parabola its dots spread without creating a specific shape, it expresses the opposite. The acquisition of the heteroscedasticity test is below:

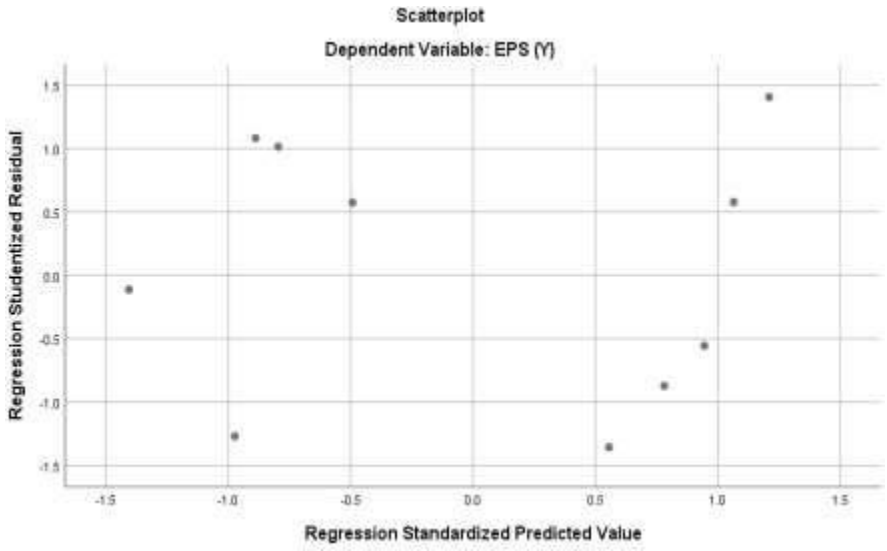

Figure 4
Scatter Plot Results of Heteroscedasticity Test Results

From the image obtained above, the points on the scatterplot graph do not have clarity on the shape of the spread or do not create a special pattern, so it is not disturbed by heteroscedasticity in the regression model so that it is adequately applied.

UjiAutokorelasi

This test is a test that aims to determine the linearity of correlation in linear regression models. If there is a relationship, then it is said to be a matter of autocorrelation. This test is one of the efforts to detect autocorrelation by applying the Run Test test, which is a correlation between residuals and whether there is a relationship between a period t and the previous period (t-1). The following are the results of the run test, namely:

Table 4.4
HasilUji Autokorelasi RunsTest Unstandardized Residual

TestValue[a]	.02241
Cases<TestValue	5
Cases>=TestValue	5
TotalCases	10
NumberofRuns	5
Z	-.335
Asymp.Sig.(2-tailed)	.737

Median

Based on the above output, the Asym value is identified. Sig. (2-tailed) is valued at 0.737>0.05. Then it can be formulated that there is no autocorrelation of gejela.

Quantitative Analysis

Quantitative analysis is intended to determine the amount of influence and analyze the significance of the influence. This analysis was carried out on the influence of 2 independent variables on the dependent variable.

Simple Linear Regression Analysis

Regression analysis is used to determine whether there is an influence between independent and dependent variables. The following are the results of regression processing with SPSS Version 25 which can be seen in the following table:

Table 4.5
Results of Simple Linear Regression Test Current Ratio (X1) to Earning Per Share (Y) Coefficients

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.925	.099		9.384	.000
	CR(X1)	-.075	.014	-.889	-5.495	.001

a. Dependent Variable: EPS (Y)

Based on the results of the regression calculation in the table above, the regression equation Y = 0.925 + -0.075X1 can be obtained. From the above equation, it can be concluded as follows:

1. The value of constant a shows a value of 0.925, meaning that if there is no change in the independent variable (the value of X1 is 0) then the value of the dependent variable (Y) is 0.925
2. The value of the regression coefficient of the variable X1 (CR) is -0.075 is negative, so if the price increases by 1, then the buying decision will decrease by -0.075.

Table 4.6
Results of Simple Linear Regression Test Net Profit Margin (X2) Against Earning Per Share (Y)

Model		**Coefficient Unstandardized Coefficients B**	**Unstandardized Coefficients Std. Error**	Standardized Coefficients Beta	t	Sig.
1	**(Constant)**	**-.669**	**.299**		-2.240	.055
	NPM(X2)	**4.577**	**1.226**	.797	3.733	.006

a. Dependent Variable: EPS (Y)

Based on the results of the regression calculation in the table above, the regression equation Y = -0.669 + 4.577X2 can be obtained. From the above equation, it can be concluded as follows:

1. The value of constant a shows a value of -0.669, meaning that if there is no change in the independent variable (the value of X2 is 0), then the value of the dependent variable (Y) is -0.669
2. The value of the variable regression coefficient X2 (NPM) is 4,577 positive worth, so if the price goes up 1, then the buyer's result will increase by 4,577.

Table 4.7
Simple Linear Regression Test Results Debt to Equity Ratio (X3) Against Earning Per Share (Y)
Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
		B	Std. Error			
1	(Constant)	-.182	.122		-1.493	.174
	DER(X3)	4.929	.928	.883	5.311	.001

a. Dependent Variable: EPS(Y)

Based on the results of the regression calculation in the table above, the regression equation Y = -0.182 + 4.929X3 can be obtained. From the above equation, it can be concluded as follows:

1. The value of constant a shows a value of -0.182 meaning that if there is no change in the independent variable (the value of X3 is 0) then the value of the dependent variable (Y) is -0.182
2. The value of the variable regression coefficient X2 (DER) is 4,929 positive worth, so if the price goes up 1, then the buyer's decision will increase by 4,929.

Multiple Linear Regression Analysis

This regression analysis is applied to analyze how much influence the independent variable has on the dependent variable with the acquisition of multiple linear test calculations can be reviewed in the table below

Table 4.8
Multiple Linear Test Results Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.	Collinearity Statistics	
		B	Std. Error				Tolerannce	VIF
1	(Constant)	.394	.533		.739	.488		
	CR(X1)	-.067	.038	-.792	-1.766	.128	.090	11.105
	NPM(X2)	2.513	1.152	.438	2.181	.072	.449	2.226
	DER(X3)	-1.022	2.816	-.183	-.363	.729	.071	14.049

a. Dependent Variable: EPS (Y)

Based on the table above, the results of the multiple linear regression formula are obtained, namely:Y = 0,394 + (-0,067 X1) + 2,513 X2 + (-1,022 X3)

X1 = Dependent Variable (CR) X2 = Dependent Variable (NPM) X3 = Dependent Variable (DER) Y = Independent Variable (EPS) From the multiple linear regression formula above, the results can be described as follows:

Discussion of Research Results

The Effect of Current Ratio on Earnings Per Share

From the acquisition of hypothesis testing the variable Current Ratio has a value of (-2.447< -1.776 < 2.447) with a sig value of (0.090>0.05), then Ho is accepted and Ha is rejected which means that there is no significant influence between the Current Ratio (X1) to Earning Per Share (Y) in this coordination in 2012-2022. This is in line with the acquisition of his previous research from Kumba Digdowiseiso, Agustina (2022) entitled theeffect of Current Ratio, DebtEquity Ratio on Earnings Per Share in pharmaceutical companies listed on the IDX in 2014-2020 in his research creating a conclusion that the Current Ratio does not have a significant effect on Earning Per Share with involvement of 73.51% and the hypothesis test obtained t calculate < t table (0.057 < 0.11).

The results of this study are also under research conducted by Edi Wijayanto, and Muhammad Rois (2022) entitled Analysis of the Effect of Net Profit Margin Return On Equity, Debt To Equity Ratio, and Curren Ratio on Earnings Per Share in Companies in the Goods and consumer industry sector listed on the IDX in 2016-2020, where in his research it was concluded that the Current Ratio did not significantly affect Earning Per Share with involvement of 63.99% and test the hypothesis obtained t count < t table (1.649570<-2.03951).

The Effect of Net Profit Margin on Earnings Per Share

From the acquisition of hypothesis testing on the variable Net Profit Margin has a value of (-2.447<-2.181<2.447) with a signal coefficient (0.072 > 0.05), then Ho is accepted and Ha is rejected which means there is no significant influence between Net Profit Margin (X2) and Earning Per Share (Y) in this company from 2013 to 2022. This is in line with the results of previous research from Kumba Digdowiseiso and Agustina (2022) entitled the effect of Net Profit Margin on Earnings Per Share in Pharmaceutical Companies listed on the IDX, where in their research a formula was made that Net Profit Margin did not have a significant effect on Earning Per Share with the involvement of influence worth 73.51% and the hypothesis test obtained a calculated t value of <t table (0.071 < 0.11).

However, the results of this study are not by research conducted by Muhammad Subhan Nurul Umam (2019), Analysis of the effect of Current Ratio, Debt To Equity Ratio, Net Profit Margin, and Firm Size on Earnings Per Share in Industrial and Basic Chemical Sector Companies listed on the IDX in 2014-2018, where in his research resulted in the conclusion that Net Profit Margin had a significant effect on Earning Per Share with involvement of 63.99% and tested the hypothesis obtained t value calculate > t table (2.786110 > 2.03951).

The Influence of Debt-Equity Ratio on Earnings Per Share

From the acquisition of hypothesis testing of the variable Debt To Equity Ratio has a value of (-2.447<-0.363<2.447) with a signal coefficient of (0.729>0.05), then Ho is accepted and Ha is rejected which means there is no significant influence between the Debt To Equity Ratio (X3) to Earnings Per Share (Y) in this corporation from 2013 to 2022. This is in line with the results of previous research

from Muhammad Subhan and Nurul Umam (2019) entitled The Effect of Debt To Equity Ratio on Earnings Per Share in Basic Industrial and Chemical Sector Corporations listed on the IDX, where in their research resulted in the conclusion that the Debt To Equity Ratio did not have a significant effect on Earnings Per Share with the involvement of influence worth 63.99% and the hypothesis test obtained a calculated t value < t table (0.823227<2.03951).

The results of this study are also by research conducted by YunitaSigalingging (2021), The Effect of Current Ratio, Debt To Equity Ratio, Return On Asset, and Total Asset Turn Over on Earning Per Share in manufacturing companies on the IDX in Jakarta in 2017-2019, where in her research it resulted in the conclusion that the Debt To Equity Ratio did not have a significant effect on Earning Per Share with an involvement of 26.20% and the hypothesis test obtained a t value calculated < t table (-0.883 < 1.97500).

The Influence of Current Ratio, Net Profit Margin, and Debt To Equity Ratio on Earning Per Share

The results of hypothesis testingshowthat the results of the calculation are greater than the f-table variable's Current Ratio, Net Profit Margin, and Debt Equity Ratio (16.418>4.74) with a significant value of (0.003<0.05), so it can be formulated that Ho is rejected and Ha is accepted, which means that simultaneously there is a significant influence between the three variables above on Earnings Per Share. This is in line with the research obtained from Putri Renalita Sutra Tanjung (2022) The effect of Current Ratio, Debt To Equity Ratio, and Net Profit Margin, on stock prices with Earning Per Share as a moderating variable in 2017-2019 where her research created a conclusion that the influence of Current Ratio, Debt To Equity Ratio and Net Profit Margin simultaneously had a significant effect on Earnings Per Share with the involvement of influence worth 75.8% and the hypothesis test obtained an F value calculate > F table (66.194 > 2.70).

5. Conclusions and recommendations

Based on the data that has been collected and the results of tests that have been carried out, the results of this study can be concluded that partially the variables of liquidity (Current Ratio), and leverage (DER) do not have a significant effect on financial management earnings per share, profitability (NPM) has a positive effect on financial management earnings per share. Simultaneously, there is a significant influence on financial management, earnings per share (EPS)

Recommendations, for investors who are more cautious in buying stocks and for subsequent researchers are expected to add variables and broad scope.

Thanks

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