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Analysis of the Influence of Liquidity, Solvency, and Share Price on Company Value in Indonesian State-Owned Enterprises

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ABSTRACT

Companies often seek to increase the value of the company over time, because the high value of the company reflected in the stock price will increase the wealth of shareholders. This study aims to analyze the influence of the Current Ratio, Return on Asset (ROA), and Stock Price on Company Value over ten years. The independent variables used are Current Ratio, Return on Asset, and Stock Price while the dependent variable is Company Value. These data were then analyzed using multiples of the regression method involving a statistical test t (partial), statistical test F (simultaneous), and a coefficient of determination test. The results show that the Current Ratio, Return on Asset, and Stock Price partially have a positive and significant effect on the value of the company. significant impact on the Current Ratio, Return on Asset, and Share Price has a significant effect on the company's value. The implication of this research is that understanding the factors that affect firm value can help in designing more effective policies and strategies to improve the company's financial performance and attractiveness in the eyes of investors.

Kata Kunci: Company Value; Current Ratio; Finance Management., Return On Asset; Stock Price,

INTRODUCTION

Companies often strive to increase their value over time because high firm value, reflected in higher stock prices, can improve shareholder welfare (Ilmiani and Sutrisno, 2014). An increase in firm value has a direct impact on shareholder returns. For an investor or potential investor, the decision to invest in the capital market must be based on careful and in-depth analysis. Before investing, investors will thoroughly evaluate the company to understand its profit prospects and future growth potential. Therefore, investors require transparent and detailed financial statements to assess the operational efficiency and financial condition of the company. Companies that show solid financial performance will be able to generate maximum profits, so that they can provide more profitable investment returns for shareholders.

In the context of corporate finance, investors focus not only on profits and revenues, but also on the valuation of the assets owned by the company. This valuation provides a comprehensive picture of a company's financial condition and serves as an important indicator of its stability and growth potential. The process of company valuation involves an in-depth analysis of various aspects, including assets, debt, and operational performance, which together affect investors' perception of the company's value. High

company valuations often reflect solid performance and positive prospects, which can boost investor confidence and influence their investment decisions. When a company's valuation shows strong numbers, it usually means that the company has the potential to generate greater returns for shareholders. Conversely, a low company valuation may signal problems in the company's performance or prospects, which in turn may reduce return expectations and attract investor interest. In other words, a company's valuation directly affects the returns expected by shareholders, where a higher valuation has the potential to generate greater returns, while a lower valuation may reduce potential investment gains.

Investors' perceptions of a company's success rate are often closely linked to its stock price and profitability, which directly reflect the value of the company. A high stock price usually indicates investors' confidence in the company's positive performance and prospects, which in turn indicates a higher firm value. Conversely, when the stock price is low, this often reflects concerns or negative assessments of the company's performance, so the company's value also tends to decrease (Hakim, 2021: 140). Therefore, stock price fluctuations are an important indicator in assessing firm value, with higher stock prices generally reflecting better company value and potential.

A company's achievements are not only reflected in its stock value. A comprehensive company valuation involves various financial ratios that provide a more complete picture of the company's financial health and performance. One important ratio that is often used in evaluation is Price to Book Value (PBV). The PBV ratio measures the ratio between a company's stock price and its book value per share, indicating the extent to which a company's stock is trading above or below the book value of its assets. In other words, PBV provides insight into how valuable a company's stock is compared to the net value of its assets. The use of the PBV ratio along with other financial ratios can assist investors and analysts in assessing the extent to which a company is achieving its financial objectives and how effectively it is utilizing its assets to generate value.

In this study, firm value is measured using the Price to Book Value (PBV) ratio. This ratio compares the company's stock market price to its book value per share, providing an overview of how high or low the stock price is relative to the company's net asset value. The higher the PBV value, the more likely it is that the company's shares are overvalued relative to the book value of its assets, which may indicate strong financial performance and good growth potential. In other words, a high PBV value often reflects positive financial performance and investment effectiveness, making it an important factor for investors in choosing which stocks to buy and invest in.

This can increase market confidence in the company's prospects and attract more investors to invest in the company's shares. With the increase in investor interest, the demand for company shares will also increase, which can then increace stock prices.

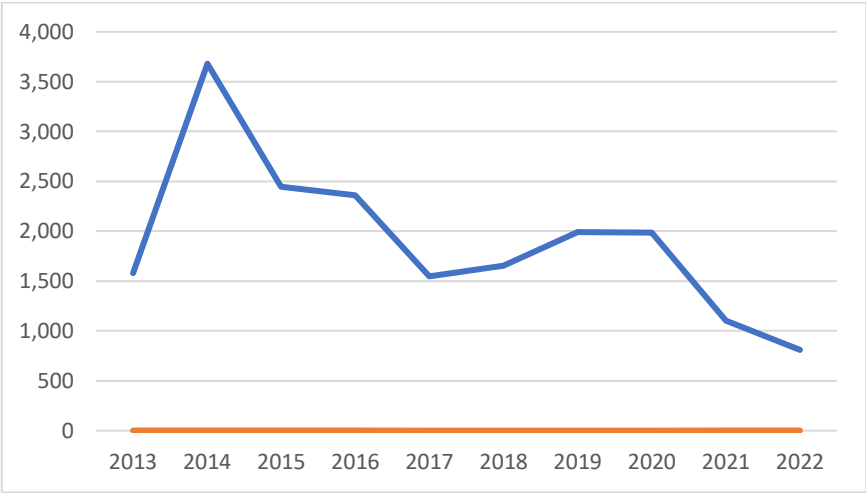

Figure 1. Data sources are processe

The achievements of a company are not only reflected in the value of its shares. In general, the value of a company can be assessed through the evaluation of the Stock Price. The graph above shows that the performance of PT Wika's Stock Price is not encouraging, with numbers that fluctuate or are unstable from year to year. The downward trend is evident, especially when the stock price reached its peak in 2014 with the price of Rp. 2022 recorded the lowest price for 3. 680 amounting to Rp This paragraph has no text. Please enter the text you want to paraphrase. Changes in stock prices are influenced by the company's performance and market conditions.

Similar to PBV, the company's valuation also fluctuates although not so significantly. In 2016, the percentage reached its peak at with 0.0601, while in 2017 the lowest percentage was recorded with a value of 0.0105. The company's capital structure and liquidity level can affect this.

Previous studies conducted by Zuhria Hasania, Sri Murni, and Yunita Mangdagie on the Influence of CR, Company Size, Capital Structure, and ROE on the Value of Pharmaceutical Companies listed on the Indonesia Stock Exchange during the period 2011-2014 showed that individually the CR variable had a significant influence on the Company Value. According to Wildan Dzulhijar, Leni Nur Pratiwi, and Banter Laksana, they conducted research on how CR, and ROA Share Price affect the value of companies in PT. According to a report by Wika Tbk from 2013 to 2022, it was concluded that in some cases, the AR variable did not have a significant impact on the company's value.

Investors' views of a company's success rate are often linked to the value of the stock and profitability, known as the company's valuation. The higher the stock price, the higher the valuation of the company, and vice versa, if the stock price falls, the company's valuation will also fall (Hakim, 2021:140).

The success of a company is not only seen from its share price. Overall, the value of a company can be measured through the valuation of the stock price. The graph above shows that the performance of WIKA Tbk's share price is less than satisfactory, with numbers that fluctuate or are unstable from year to year. The downward trend is very visible, especially when the stock price reached its highest level in 2014 with a value of Rp. The lowest price for 3 recorded a record in 2022. Rp 680 is the amount of money listed in the paragraph that does not have text. Please include the text that needs to be converted into paraphrasing. Stock price movements are influenced by the company's performance and market situation.

Like PBV, company valuations also fluctuate although not too much. In 2016, the percentage reached its highest level with a percentage of 0.0601, while in 2017, the

lowest percentage reached a value of 0.0105. The capital structure and the level of availability of a company's funds can have an impact on this.

Previous research conducted by Zuhria Hasania, Sri Murni, and Yunita Mangdagie on the Impact of CR, Company Size, Capital Composition, and ROE on the Performance of Pharmaceutical Companies listed on the Indonesia Stock Exchange in the period 2011-2014 showed that each CR variable had an important impact on the Company's Value. According to Wildan Dzulhijar, Leni Nur Pratiwi, and Banter Laksana, they have conducted a study on the impact of CR, DER, and ROA on the valuation of companies in PT. Based on Jasa Marga Tbk's report from 2010 to 2019, it was concluded that in a number of situations, the AR variable did not show a significant influence on the company's value.

LITERATURE REVIEW

1 Financial Management

Financial management includes activities related to the acquisition, financing, and management of assets with specific objectives (Horne, 2012). Keown et al. (2010) suggest that financial management is related to the maintenance and creation of economic value or wealth. For non-profit companies, the goal of financial management is to make decisions that can increase share value and overall increase the market value of equity (Ross et al., 2016). Brigham and Houston (2012) explain that financial reporting is very important in showing how ratios are used to analyze financial statements and identify areas that need to be improved to maximize stock prices. Financial statements consist of several types, namely: balance sheet, which describes the financial position of the company at a certain time; income statement, which records income and expenses during a certain period; cash flow statement, which reports cash inflows and outflows; and equity calculation, which shows changes in shareholders' equity over time. Analysis of these statements helps financial managers assess the company's performance and make strategic decisions to increase the company's value.

2. Signaling Theory

Signaling theory assumes that information disclosure is a response to information asymmetry in the market (Spence, 1973). In this context, one party can reduce information asymmetry by providing relevant information to the other party. More transparent and favorable information is often considered a positive signal for quality investors, which can reduce uncertainty. Managers usually have a deeper understanding of the company's condition than outsiders. As a result, uninformed outsiders may undervalue the company, potentially leading to undervaluation of the company and missed opportunities. This situation can also cause a negative impact on the company (Gunarsih et al., 2014). The purpose of signaling theory is to provide information to investors and potential investors about the condition of the company. If the information conveyed is positive, this can influence investment decisions in a favorable way, increasing the belief that the company is performing well and potentially boosting stock prices (Khoirunnisa, 2017). Conversely, negative information can adversely affect investment decisions, damage the company's reputation, and lower the stock price.

3. Liquidity Ratio

According to Weston (in Kasmir, 2017: 110), “liquidity ratios are ratios that describe the company's ability to meet short-term obligations (debt).” Some types of liquidity ratios that are commonly used include:

Current Ratio (CR)

Current ratio is one of the liquidity ratios that describes the company's ability to meet all its short-term obligations by comparing current assets to current debt. This ratio is calculated by dividing total current assets by total current debt, reflecting the extent to which a company's liquid assets can cover its short-term liabilities. A high current ratio indicates a strong and secure liquidity position, but it can also indicate that the company may have too much old inventory or receivables that are difficult to collect (Amelia and Asmara, 2018). In addition, the total debt-to-value ratio, often called the debt ratio, measures the percentage of assets financed by creditors, giving an indication of a company's capital structure (Nusraningrum and Suwesti, 2018). A high return on equity usually reflects effective management and success in pursuing profitable investment opportunities. The dividend ratio measures the amount of dividends paid compared to the company's net income or earnings per share, showing how much profit is distributed to shareholders (Amelia and Asmara, 2018).

The current ratio can be calculated using the following formula:

$$CR = \frac{Aktiva\ Lancar}{Hutang\ Lancar}\ 100\%$$

4. Return on Asset (ROA)

The financial ratio known as Return on Assets (ROA) compares a company's net income to its total assets to assess the level of profit generated from the use of the company's assets. ROA assesses how effective the company is in utilizing its resources to generate profits. According to Fahmi (2018: 135), the profitability ratio or Return on Assets (ROA) is a measure of overall efficiency that measures the profit earned compared to investment and sales. ROA, as explained by Kasmir (2018: 10), measures the company's ability to generate profits from all its assets. According to Kasmir, as cited in Qahfi Romula and Salman Faris (2018: 81), ROA shows how much return is obtained from the use of company assets. This ratio provides a clearer picture of the company's profitability by assessing how effective management is in utilizing assets to achieve profits. The higher the ROA value, the better the company is in generating net income from its assets. Conversely, a low ROA indicates that the company is less effective in managing assets to achieve net profit, which is often referred to as profit for the year or profit after tax in financial statements.

Return on an asset can be calculated by the formula:

$$ROA = \frac{Net\ Profit\ After\ Tax}{Total\ Aset} x\ 100\%$$

5. Stock Price

Stock price is the current market value of a stock determined by supply and demand in the capital market (Jogiyanto, 2008). Changes in stock prices can occur quickly and unexpectedly, often within minutes or even seconds (Darmadji and Fakhruddin, 2012). According to Tandelilini (2010), stock prices reflect investors' expectations of profits,

cash flows, and desired rates of return, which are influenced by macroeconomic conditions. Financial ratios are used to measure the efficiency of company management through profits or income generated from company activities, as well as to evaluate overall performance and efficiency in managing liabilities and capital (Nusraningrum and Suwesti, 2018). Various factors that affect stock prices have been analyzed by financial researchers. According to Weston and Brigham (2001) and Widayat and Colline (2017), factors that affect stock volatility in the market include the company's financial performance, macroeconomic data such as inflation, interest rates, and national economic growth, as well as market sentiment and investor perceptions of global economic conditions. Internal company policies, such as decisions on dividends and investments, can also affect investor perceptions and, consequently, stock prices. In addition, political uncertainty and other global issues often influence stock prices.

6. Price to book value (PBV)

1. Definition of Price to Book Value (PBV)

Price to Book Value (PBV) is a ratio that compares the market price per share to the book value per share. This ratio is used to assess whether a company's share price is overvalued or undervalued. The lower the PBV value, the more undervalued the stock is, which can be a positive signal for long-term investment. However, a low PBV value may also indicate a decline in the quality or fundamental performance of the company. Therefore, the PBV value should be compared with the PBV of other companies' stocks in the same industry for a more comprehensive analysis. If the difference in PBV between companies is too significant, in-depth analysis is needed to understand the cause (Hery, 2016). PBV is a market ratio that measures the performance of stock prices in the market against the book value agreed by Jones (2000) in Musdalifah, Sri, and Maryam (2015). PBV shows the relationship between the stock market price and book value per share, providing an overview of how well the company creates value for shareholders. Thus, PBV serves as a tool to measure the company's success in increasing the stock market value compared to its book value.

Price to Book Value is formulated as follows:

$$Price\ to\ book\ value = \frac{marketing\ price\ per\ share}{book\ value\ per\ share}\ \text{x}100$$

The value of BV is obtained from the comparison of total equity with the number of shares issued. Price-to- Book Value shows how far a company can create corporate value relative to the amount of capital invested, so the higher the Price to Book Value ratio which shows the more successful the company is in creating value for shareholders.

Formulation of Hypotheses

1. The Effect of *Current Ratio* on Company Value

According to Kasmir (2016:134). "The current ratio is a ratio to measure the company's ability to pay short-term obligations or debts that are due immediately at the time of being billed as a whole. The larger the percentage indicates that the company is healthy, and vice versa if the percentage of asset growth decreases every year, it means that there may be problems in the company.

H1: There is an effect between the Current Ratio and the Company's Value

2. Effect *of Return on Asset* on Company Value

According to Nurhayati (2013), high profits indicate the company's good prospects as it can trigger investors to increase demand for shares. The attractive demand for shares causes the value of the company to increase. According to Ayuningtias (2013), it is stated that high profitability indicates good prospects for the company, so investors will respond to these positive signals and the company's value will increase. This can be understood because companies that have managed to book increased profits believe that the company has good performance so that it can create positive sentiment among investors and can make the company's stock price increase. An increase in stock prices in the market will increase the value of the company. This research is supported by the results of research by Khairunnisa, Taufik, and Thamrin (2019) that ROA has a significant effect on the value of companies in the direction of negative relationships.

H2: There is an effect between Return on Asset and Company Value

3. Effect of Stock Price on Company Value

According to Kurnia (2013), the high share price can affect the value of the company to the maximum so that it provides prosperity for shareholders when the stock price is high, the prosperity of shareholders is higher.

H3: There is an effect between the stock price and the value of the company

4. The Effect *of Current Ratio, Return on Asset* and Share Price on Company Value

The current ratio is a comparison between the current assets owned by the company and its obligations or short-term debts that must be repaid by the company before maturity. The higher the CR, it indicates that the company is healthy, and vice versa if the percentage of asset growth decreases every year, it means that there may be problems in the company

Return on assets is a comparison between a company's net profit and the company's total assets. The higher the ROA, the better the company's prospects, so investors will respond to these positive signals, and the company's value will increase. This can be understood because companies that have managed to book increased profits believe that the company has good performance so that it can create positive sentiment among investors and can make the company's stock price increase. An increase in stock prices in the market will increase the value of the company.

H4. There is no effect between the Current Ratio, Return on Asse, and Share Price on Company Value

METHOD

The population in this study is WIKA Company engaged in investment and engineering, procurement, and construction (EPC) which has been and is still listed on the Indonesia Stock Exchange for the period 2013 to 2022 which publishes financial statements. The sampling technique used in this study is the purposive sampling method, the criteria chosen in determining the sample, namely manufacturing companies that have been and are still listed on the IDX in 2013-2022, the company has complete data needed in the research in the research period of 2009-2018, publishes an annual report. In this study, the data used is secondary data in the form of financial statement data of PT. Wijaya Karya Tbk in 2013-2022. Stock price data for the period 2013 to 2022 were downloaded from the official websites (https://www.idx.co.id/) and (https://www.wika.co.id/en). In addition, researchers also take data from journals, books, and internet sites. The technique used in this writing is data collection. Data obtained from annual financial statements that have been audited by Public Accounting Firms will be presented in 2013-2022 to make it easier to analyze and understand the

data so that the data presented is more systematic. Data analysis techniques used by researchers to test factors that affect company value with the SPSS version 25 program

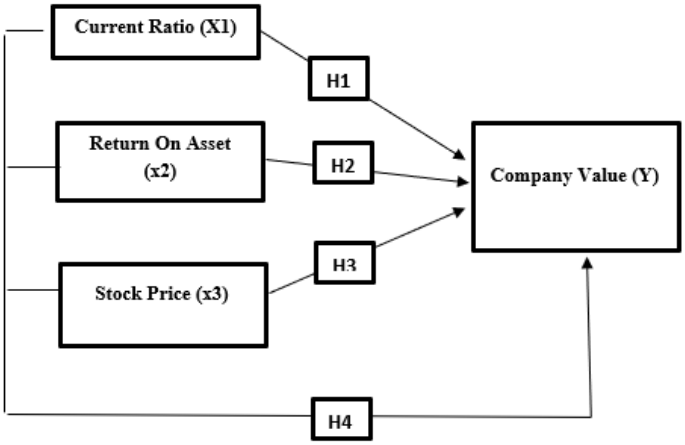

Figure 2, Conceptual Framework

Hypothesis Testing

This test was conducted to find out if there was a significant influence between ROA and CR and Stock Price on the Company's Value. To test the hypothesis in this study, the method of individual parameter significance test (t statistical test) and simultaneous significance test (F statistical test) was used

a, Partial Test (t-Test)

According to Ghozali (2013:98), "the t-test was proposed to find out how far the influence of the independent variable (X) on the dependent variable (Y) was partial. Hypothesis testing will be carried out using a significance level of 0.05 (5%) or a confidence level of 0.95" The testing criteria used in this study are as follows:

1. If t counts > table then, Ho is rejected or the dependent variable individually affects the dependent variable
2. If t counts < table then, Ho fails to be rejected or the independent variable individually does not affect the dependent variable.
3. Based on probability, if the probability (significance) is greater than 0.05, then the individual independent variable is not significant to the value of the company, and vice versa, if it is less than 0.05, then the independent variable is individually significant to the value of the company.

b. Simultaneous Test (Test F)

According to Ghozali (2012:98), "the F test shows whether all independent variables or independent variables included in the model have a joint influence on the dependent variable or the bound variable. The test is carried out using a significance level of 5% or 0.05, The criteria for this f test are as follows:

1. If F counts > F table then. Ho is rejected or the dependent variable individually affects the dependent variable

2. If F counts < F table then. Ho fails to reject or the independent variable individually does not affect the dependent variable.

RESULT AND DISCUSSION

Hypothesis testing is carried out based on the significance value obtained from each variable, after analysis. For this reason, multiple linear regression analysis is carried out to determine the dependent variable (return on shares). Data processing is carried out with the help of computer software using SPSS (Statistical Product and Service Solutions) version 20 for Windows to accelerate the acquisition of result data that can explain the variables studied. The descriptive table shows all the variables used in the multiple linear regression analysis model, namely the Y Price To Book Value (PBV) variable, and the Current Ratio (CR), Return On Asset (ROA), and Stock Price variables as independent variables.

Descriptive Statistical Analysis

Descriptive statistical analysis is used to show the amount of data (N) used in a study and can be used to show the mean value and standard deviation of the variables studied. The variables studied in this study are *Current Ratio* (CR), *Return on Asset* (ROA), Stock Price, and *Price to Book Value* (PBV). Based on the results of data processing using SPSS (*Statistical Product and Service Solution*) version 20, the following calculation results are obtained:

Table 1
Descriptive statistical results

	N	Mean	Std. Deviation
CR	10	1,248270	,2000251
ROA	10	,0285720	,01881111
Stock Price	10	1916,00000	802,415797
PBV	10	1625,53	1348,860
Valid N (listwise)	10		

Source : Data Processing, 2024

Based on the calculation results in Table 1 above, it can be seen that the number of data (N) for each variable is 10 and comes from the sample of PT Wijaya Karya Tbk (Persero) for the 2013-2022 period. Each variable will be explained as follows:

a. The *Price to Book Value* (PBV) variable has an average value of 1625.53 and a standard deviation of 1348.860
b. The Current *Ratio* (CR) variable has an average value of 1.248270 and a standard deviation of 0.2000251
c. The Return *on Asset* (ROA) variable has an average value of 0.0285720 and a standard deviation of 0.01881111
d. The Stock Price variable has an average value of 1916.00000 and a standard deviation of 802.415797

Multiple Linear Regression Analysis

Multiple linear regression analysis aims to determine the extent to which the independent variable (X) has a dependency on the dependent variable (Y). From the results of the classical assumption test that has been carried out, it can be concluded that the data in this study is normally distributed and there is no heteroscedasticity. Therefore

the available data are already eligible to use multiple regression models. The calculation results can be seen in the following table:

Table 2
Multiple Linear Regression Test Results

Coefficients						
Type		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3894,433	1021,838		3,811	,009
	Cr	-4106,294	815,179	-,609	-5,037	,002
	Roa	44581,184	10854,444	,622	4,107	,006
	Stock Price	,826	,228	,492	3,626	,011
a. Dependent Variable: pbv						

Based on the data of table 4.10, the multiple linear regression equation is obtained as follows:

Y = α + β1X1 + β2X2 + β3X3

Y= 3894,433 – 4106,294 + 44581,184 + 0.829

From the results of the multiple linear regression equation above, each variable can be interpreted as follows:

1) The constant value is 3894.433 which means that if the free variables specified by *the Current Ratio* (CR), *Return on Asset* (ROA), and Stock Price have a value of zero or none, then *the Price To Book Value* (PBV) will be 3894.433.
2) The regression coefficient for *the Current Ratio* (CR) is -4106.294 which states that if each change in CR is 1 unit, then the PBV will increase by -4106.294.
3) The regression coefficient of 44581.184 for *Return on Asset* (ROA) to *Price to Book Value* (PBV) means that if each change in ROA is 1 unit, then PBV will increase by 44581.184
4) The stock price has a regression coefficient of 0.826 against *the price-to- book-value* (PBV) which means that if every change in the stock price is 1 unit, then the PBV will increase by 0.826.

Multiple Correlation Test

According to Juliandi et al. (2014: 149),"Correlation analysis aims to find out how strong the relationship between research variables"

Table 3

Pearson Product Moment *Correlation Test Results*

Correlations					
		Cr	Roa	Stock Price	PBV
Cr	Pearson Correlation	1	,464	,147	-,248
	Sig. (2-tailed)		,176	,684	,490
	N	10	10	10	10
Roa	Pearson Correlation	,464	1	,613	,640*
	Sig. (2-tailed)	,176		,059	,046
	N	10	10	10	10
Stock Price	Pearson Correlation	,147	,613	1	,783**
	Sig. (2-tailed)	,684	,059		,007
	N	10	10	10	10
Pbv	Pearson Correlation	-,248	,640*	,783**	1
	Sig. (2-tailed)	,490	,046	,007	
	N	10	10	10	10

*. The correlation was significant at the level of 0.05 (2-tailed).
**. The correlation was significant at the level of 0.01 (2-tailed).

Based on the Pearson Product Moment Correlation Test in Table 3 above, the CR variable obtained an r value of 0.248 with a significant value of 0.648, the ROA variable obtained an r value of 0.640 with a significant value of 0.059, and the stock price of the variable obtained an r value of 0.783 with a significant value of 0.007.

Based on the correlation assessment criteria the CR r value of 0.248 is between the intervals (0.20 - 0.399), thus CR has a moderate relationship to *Price to Book Value*, the ROA value of 0.640 is between the intervals (0.60 – 0.799), thus the ROA has a strong relationship with the *Price to Book Value* while for r the stock price of 0.783 is between the interval values (0.60 – 0.799), thus the stock price has a strong relationship to the *Price to Book Value*.

Determination Coefficient Test (R2)

The determination coefficient is used to measure the extent to which the independent variable is: *Current Ratio* (CR), *Return On Asset* (ROA), and Stock Price in explaining the variation of dependent variables, namely *Price To Book Value* (PBV). From the results of the data analysis, the following were obtained:

Table 4
Determination Coefficient Test Results (R2)

Model Summary[b]				
Type	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,966a	,934	,901	424,792

Hypothesis Test

In testing the hypothesis in this study, multiple linear regression analysis is used, because the independent variable is more than one consisting of *Current Ratio* (CX1), *Return On Asset* (X2), and Stock Price (X3).

a. Partial Test (t-Test)

According to Rukajat (2018: 71), the t-test can be used to determine the influence of independent variables in this study, namely Current Ratio, Return on Asset, and Stock Price against dependent variables Price to Book Value

Table 5
Results of Partial Analysis (t-Test)

Coefficients						
Type		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3894,433	1021,838		3,811	,009
	Cr	-4106,294	815,179	-,609	-5,037	,002
	Roa	44581,184	10854,444	,622	4,107	,006
	Stock Price	,826	,228	,492	3,626	,011
Bound variable: PBV.						

Based on Table 5 above, the following explanation is obtained

(1) Based on the results of the t-test in Table 5, the flow ratio is obtained to a t-value of 5.037 with a significance of 0.002, a coefficient. From the results of the t-test, a significant level of 0.002 from the flow ratio was obtained, lower than the alpha level of 0.05, so Table t was obtained at 2.44691. so it is known that t calculated 5.037 > table 2.44691, it can be concluded that Ho1 is accepted, which means that there is a significant influence between the current ratio and the book value.

(2) If the ROA of the calculated result is 4.107 with a significance of 0.006, then the coefficient of the ROA t-test results shows a significant level of 0.006 less than 0.05 so that the t-table can be 2.44691. Then it will be known that 4.107 > t-table 2.44691 so that Ho2 is accepted, which means that there is a partially significant influence between asset performance and the value of the company.

(3) The t-value of the stock price calculation is 3.626 and the significant coefficient of the t-test results is 0.011 which shows that it is greater than 0.05 so the t-table is obtained of 2.44691. so it is known that t calculated 3.626 > t table 2.44691 so that Ho3 is accepted, meaning that there is a significant influence between the Stock Price and the Book Value of the Share.

Simultaneous Test (Test F)

Table 6
Simultaneous Test Results (Test F)

ANOVAa						
Type		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	15292125,059	3	5097375,020	28,248	,001b
	Residual	1082688,606	6	180448,101		
	Total	16374813,665	9			
a. Dependent Variable: pbv						
b. Predictors: (Constant), stock price, cr, roa						

Based on the results of the F test in Table 6 which gives a Fcal of 28.248 and Table 4.76 at a significant level of 0.001 < 0.05, it can be concluded from these significant values that the Current Ratio (CR), Return on Asset (ROA) and Stocks. prices simultaneously have a significant impact on book value (PBV).

Research Discussion

Based on the results of the above research, testing the *Current Ratio* (CR), *Return on Asset* (ROA), and Stock Price against *Price to Book Value* (PBV), then several be discussed and explained in this study, namely as follows:

1. **Effect of *Current Ratio* on *Price to Book Value***
   Based on the research results which show that the Current Ratio (CR) value of 5.037 is greater than the t table value of 2.44691, it can be concluded that the Current Ratio variable has a significant effect on Price to Book Value (PBV). The significance value of the Current Ratio variable recorded at 0.002, which is below the threshold of 0.05 or 5%, strengthens the evidence that the effect is significant. This means that changes in the Current Ratio, which measures a company's ability to meet its short-term obligations, substantially affects the market's valuation of the company's stock relative to its book value. This finding suggests that investors view a high liquidity ratio as a positive indicator of the company's financial health, which is then reflected in the stock price relative to its book value. This research is consistent with previous studies by Liana Sofiana and Enda Mora Siregar (2022), which also found that Current Ratio has a significant effect on PBV. These results indicate that investors not only consider factors such as earnings or cash flow, but also the liquidity of the company when valuing stocks. A high liquidity ratio, such as the Current Ratio, can provide a positive signal about the company's ability to manage its short-term obligations effectively, thereby increasing investor confidence in the value of the company's shares. Therefore, companies with a strong Current Ratio tend to get a better valuation from the market, which is reflected in a higher PBV value.

2. **Effect *of Return on Asset* on *Price to Book Value***
   Based on the research results, the calculation of Return on Assets (ROA) of 4.107 exceeds the t table value of 2.44691, indicating that the ROA variable has a significant effect on Price to Book Value (PBV). The significance value of the ROA variable of 0.006, which is smaller than 0.05 or 5%, corroborates the finding that the effect is significant. In other words, a high ROA, which reflects the company's ability to generate profits from its assets, contributes significantly to the market valuation of the company's shares compared to its book value. This result suggests that investors value companies with high ROA as more profitable, thus increasing the PBV value of the company's shares. This finding is in line with previous research by Firman Setiawan and Akmal Riduwan (2015), which also found that partially ROA has a significant effect on book value (PBV). This shows that the company's efficiency in utilizing assets to generate profits not only affects the company's financial performance, but also increases investors' perceptions of the company's share value. Investors tend to see high ROA as an indicator of good performance and greater profit potential, which in turn has a positive impact on the stock market value relative to its book value.

3. **Effect of Stock Price on *Price to Book Value***
   The results showed that the t value for the Share Price of 3.626 exceeded the t table of 2.44691, which indicated that the Share Price variable had a significant effect on the Price to Book Value (PBV) variable. In other words, a high or low stock price significantly affects the market's assessment of the book value of the company's shares. The accepted significance value of the Share Price variable indicates that the hypothesis is accepted, which means that there is a significant relationship between share price and book value. This finding underscores the importance of stock price as a relevant indicator in determining the book value of a company's shares in the market. This study is in line with the argument put forward by Susi Rosmawat and Fatwa Rachman, which states that partially stock price has a significant effect on book value (PBV). This suggests that changing stock prices can reflect changes in market perceptions of the company's fundamental value. Investors tend to use stock prices as a barometer to assess the company's performance and its future potential, which in turn affects the book value reflected in market valuations. As a result, stock price fluctuations often reflect investors' expectations of a company's profitability and financial health, contributing to a more accurate book value.

4. **The Effect of Current Ratio, Return on Asset, and Stock Price on Price to Book Value**
   The results revealed that simultaneously, the variables Current Ratio (CR), Return on Assets (ROA), and Stock Price have a significant effect on Price-to-Book-Value (PBV). This is supported by a significance value of 0.001, which is much smaller than the 0.05 threshold, indicating that the effect of the three variables together on PBV is significant. In addition, the calculated F value of 28.248, which far exceeds the F table value of 4.76, reinforces the conclusion that the regression model involving CR, ROA, and Share Price simultaneously makes a significant contribution in explaining variations in PBV. This finding suggests that these three variables play an important role in the market's assessment of the book value of a company's shares. Current Ratio reflects the liquidity of the company, ROA shows the efficiency in generating profit from assets, and Stock Price reflects the market's expectation of the company's performance. The significant effect of these three variables indicates that investors consider a combination of these factors to assess and predict the market value relative to the book value of the company's shares. Thus, companies need to pay attention to these three aspects to improve market valuation of their shares.

Conclusions

From the analysis of the influence of the above information, it can be concluded that the Current Ratio, Return on Asset, and Stock Price have an effect on the Balance Sheet Value variable with a significant value of 0.002 greater than 0.05 or 5% and at the same time, the Current Ratio (CR), Return on Asset (ROA) and Stock Price have a significant effect on the Book Value. This is indicated by a significant value of 0.001 or a value of less than 0.05.

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