

# **THE EFFECT OF PROFITABILITY, FIRM SIZE, FIRM GROWTH, AND DIVIDEND POLICY ON STOCK PRICES WITH CAPITAL STRUCTURE AS MODERATING VARIABLES**

**(Case Study in Telecommunications Sector Companies Listed on Indonesia Stock Exchange in 2011-2018)**

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**Abstract:** The purpose of this study is profitability, firm size, firm growth, and dividend policy on stock prices with capital structure as a moderating variable. The population in this study are telecommunications companies listed on the Indonesia Stock Exchange in the period 2011-2018. The sample selection method uses a purposive technique. The samples used were 4 companies. The method used in this research is panel data regression method with a significance level of 5% using the common effect model (CEM). Hypothesis testing uses t test, f test, and interaction test. The results showed that partially profitability had a positive and significant effect on stock prices, while company size and dividend policy had a negative and significant effect on stock prices and company growth had a positive and not significant effect on stock prices. The second hypothesis testing shows that the capital structure is not able to moderate the relationship between profitability, firm size, and firm growth on stock prices while the capital structure is able to moderate the relationship between dividend policy on stock prices.

**Keywords:** Profitability, Firm Size, Firm Growth, Dividend Policy, and Stock Prices.

## **1. INTRODUCTION**

One business sector that is rapidly developing along with the development of information technology is the telecommunications sector. In Indonesia alone telecommunications is a type of industry that has a major influence on the smooth running of economic activities because communication is the main activity in business activities and contributes to the Indonesian economy which is quite large. The telecommunications industry is one sector of service companies that have an active role in the Indonesian capital market. Besides that, the very high dependency and need of the community for communication makes the telecommunications company sector more promising and has a high possibility to develop. This makes telecommunications companies competing in gaining success and facing economic competition by increasing the value of the company through the price of shares in the eyes of investors.



**Figure 1. Value of Share Prices of telecommunications companies listed on the Indonesia Stock Exchange in 2011-2018.**

Figure 1 shows how the stock prices of the three largest telecommunications companies in Indonesia are developing. The above phenomenon shows that PT XL Axiata has increased and decreased every year and it can be seen again that the decline in 2018 is very significant where the decline is 43.8%, the movement of the stock price index that has increased can reflect opportunities for investors to obtain maximum profits can be achieved, but at the time of decline in stock prices makes investors must be more observant in seeing which stocks are profitable and which stocks are detrimental. This phenomenon is a reference for companies in maintaining share prices on the market and examining those that affect the phenomenon. Stock price is one indicator of the success of company management, if the stock price of a company always experiences an increase, then investors assume that the company is successful in managing its business (Adhitya & Suwitho, 2014).

Profitability is one of the factors considered capable of affecting stock prices. Profitability is the ability of a company to generate profits at a certain level of sales in a period. The higher the profits achieved by the company, the greater the shareholders expect a return on investment in the company

Firm size is an important factor that is considered in making decisions related to stock prices. Large firms/companies are generally no doubt, the company is considered superior in terms of wealth and good performance so that it will attract investors to believe and want to invest their capital by buying shares, this causes the stock price to move up (Mentari, 2015).

Firm growth represents a measure of the success of companies related to investment. Firm growth is a ratio that measures the company's ability to maintain its position in the industry and in economic development in general (Kasmir, 2016). Firm growth that continues to grow can affect stock prices, because firm growth will increase company's revenue, this is a sign that the company has good performance.

Dividend policy is a company decision relating to the proportion of the use of earnings to be distributed to shareholders in the form of dividends or retained earnings to finance investment in the future. The amount of dividends distributed to shareholders in a stable or increasing manner will increase investor confidence because it indirectly provides information to investors that the company's ability to generate profits is increasing.

Capital structure as one part of the company's financial structure is always reviewed to map the most optimal composition in producing high Firm value

through stock prices. So that the capital structure measured by Debt to Equity Ratio (DER) in this study is used as a moderating variable.

From the background that has been described, it is necessary to conduct research on: “The Effect of Profitability, Firm Size, Firm Growth, and Dividend Policy on Share Prices with Capital Structure as a Moderating Variable (Case Study on Telecommunications Sector Companies Listed on the Indonesia Stock Exchange Period 2011 - 2018)”. The object of this study is the audited financial statements of telecommunications sector companies listed on the Indonesia Stock Exchange in the period 2011 - 2018.

## **2. LITERATURE REVIEW**

### **2.1 Agency Theory**

One of the opinions in agency theory is that whoever incurs monitoring costs, the costs incurred must be borne by shareholders. For example, bondholders anticipate the cost of supervision, and charge higher interest. The greater the chance of supervision, the higher the interest rate, and the lower the value of the company to shareholders. Supervision costs function as incentives in the issuance of bonds, especially in large amounts. The amount of supervision requested by bondholders will increase along with the increasing number of bonds in circulation (Horne and John, 2012).

### **2.2 Signalling Theory**

Signal theory discusses how signals of success or failure of management (agent) are conveyed to the owner (principal). Signal theory explains that giving signals is done by management to reduce asymmetric information. According to Sari and Zuhrotun (2006), signalling theory explains why companies have the drive to provide financial statement information to external parties. The encouragement arises because of asymmetric information between the company (management) and outsiders, where management knows the company's internal information which is relatively more and faster than outside parties such as investors and creditors.

### **2.3 Stakeholder Theory**

Stakeholder theory states that organizational management is expected to carry out activities that are considered important by stakeholders. This theory says that all stakeholders have the right to be provided with information about how organizational activities affect them, even they choose not to use that information and even when they cannot directly play a constructive role in the survival of the organization (Deegan 2004).

### **2.4 Stock Price (Y)**

Stock price is the present value of the cash flows that will be received by the shareholders in the future. Stock market prices are formed through the mechanism of demand and supply. According to Darmadji and Fakhrudin (2012) stock prices are prices that occur on the exchange at a certain time. Stock prices can change up or down in a matter of time that is so fast. Stock prices can change in minutes or

can even change in seconds. This is possible because it depends on the demand and supply between the stock buyer and the stock seller.

### **2.5 Profitability (X1)**

Profitability is the company's ability to make a profit from the business activities it does. Profitability measures the level of profit generated by a company. Profitability includes all revenues and costs incurred by the company as the use of assets and liabilities in a period. Profitability can be used as information for shareholders to see the profits actually received in the form of dividends. Investors use profitability to predict how much change in the value of shares owned. Creditors use profitability to measure a company's ability to pay principal and interest on loans for creditors. In this study, the measurement of profitability is measured by comparing the amount of profit after tax with total assets.

### **2.6 Firm Size (X2)**

Firm size is a determination of size of a company. The higher the total assets that show the company's assets indicate that the company is classified as a large firm. And conversely, the lower total assets indicates that the company is classified as a small firm. The greater the total assets shows that the greater the assets owned by the company so that investors will be safe in investing or investing in the company.

### **2.7 Firm Growth (X3)**

Firm growth is basically what is desired by internal and external parties. Firm growth becomes important because experienced companies can provide positive benefits for the company. One of the positive benefits of companies experiencing growth is the decline in investment opportunities (expansion). Profit margins obtained by a growing company can be reinvested into projects that are considered to have added value in the future. Thus the company has the potential to generate profits consistently and have good performance.

### **2.8 Dividend Policy (X4)**

Companies must adopt a dividend policy that will raise share prices. First, when a company makes a profit, it can decide to maintain investment profits in a new project or pay to shareholders as dividends (Priya & Mohanasundari, 2016). Dividend policy refers to a set of rules or norms that are followed by a company to determine how much profit will be paid to shareholders. However, the choice to pay a dividend has finally been decided by the company's board of directors, and once the dividend has been announced, it becomes a debt that cannot be reversed easily. Second, there are various forms and ways of distributing paid dividends: Companies can decide to pay dividends in cash once or twice a year or announce stock bonuses. An unstable dividend policy may have investors who harm the perception of the company's performance on the financial market.

## **2.9 Capital Structure (Z)**

The capital structure is a proportion in determining the fulfillment of corporate spending needs with long-term funding sources that come from the company's internal funds and company external funds. That way the capital structure is the financial structure minus short-term debt. Short-term debt is not calculated in the capital structure because this type of debt is generally spontaneous (changes according to changes in the level of sales). While long-term debt is fixed for a relatively long period of time (more than one year) so that its existence needs to be more considered by financial managers. This can be the main reason why the capital structure only consists of long-term debt and equity.

## **2.10 Hypothesis**

### **The Effect of Profitability on Stock Prices**

Profitability is the company's ability to generate profits. Profitability shows the company's success in generating profits or profits. The greater profitability means the better performance of the company, because the prosperity of the owner of the company will increase with the greater profitability (Safrida, 2014). This research is supported by research by Tamonsang and Arachman (2015), Ardison et. al (2017), Arifin and Bustami (2016), Wehantouw et. Al (2017), and Afrizal (2015) which states that profitability has a positive effect on stock prices.

Hypothesis 1: Profitability has a positive effect on stock prices in telecommunications sector companies listed on the Indonesia Stock Exchange.

### **The Effect of Firm Size on Stock Prices**

The larger the firm size is no doubt the company is superior in terms of wealth and good performance, so that it will provide an attraction for investors to trust and want to invest their capital by buying shares, this causes the stock price to move up (Mentari, 2015). The results of research conducted by Rosita (2017), Arifin and Bustami (2016), Sukarno et. al (2016), and Lamboan (2015) suggested that it turns out that company size has a positive and significant effect on stock prices.

Hypothesis 2: Firm size has a positive effect on share prices on telecommunications sector companies listed on the Indonesia Stock Exchange.

### **Firm Growth on Stock Prices**

Firm growth is a picture of the development of a company from year to year. The better the firm growth, will increase the positive response of investors to the company, so that more investors who invest in the company will be followed by an increase in the company's stock price. In the research of Ardison et. al (2017) and Purba (2017) sales growth has a positive effect on stock prices, which means that information about the firm growth is responded positively by investors, so that it will increase stock prices.

Hypothesis 3: Firm growth has a positive effect on stock prices in telecommunications sector companies listed on the Indonesia Stock Exchange.

### **Dividend Policy on Stock Prices**

Dividend policy is proxied by the Dividend Payout Ratio (DPR). Dividend payout ratio (DPR) is a decision whether profits derived by a company will be distributed to shareholders as dividends or will be retained in the form of retained earnings to finance investment in the future. The results of research conducted by Wijaya and Sedana (2013) suggest that dividend policy has a positive and significant effect on stock prices.

Hypothesis 4: Dividend policy has a positive effect on stock prices in telecommunications sector companies listed on the Indonesia Stock Exchange.

### **The Effect of Profitability on Stock Prices with Capital Structure as a Moderating Variable**

Capital structure decisions are very important because they have an impact on profitability (Owolabi and Inyang, 2013). Where if the greater the profitability, the smaller the capital structure and vice versa if the smaller the profitability, the greater the capital structure.

Hypothesis 5: The positive effect of profitability on stock prices is moderated by the capital structure.

### **The Effect of Firm Size on Stock Prices with Capital Structure as a Moderating Variable**

According to Mas'ud (2008) the larger firm size as indicated by total assets, the company will use a large amount of debt and has a higher amount of assets as well. Pecking Order Theory, if the use of internal funds is insufficient then the second alternative is to use debt.

Hypothesis 6: The positive effect of firm size on stock prices is moderated by capital structure.

### **The Effect of firm growth on stock prices with capital structure as a moderating variable**

A high level of debt will also reduce the level of opportunity to grow a company because the company will prioritize most of the funds to pay debts rather than investing so that this will have an impact on declining share prices, because companies that have high growth rates will show a high value as well of these shares, so that it will increase the attractiveness of investors who will later have an impact on rising stock prices (Tandelilin, 2010).

Hypothesis 7: The positive effect of firm growth on stock prices is moderated by capital structure.

### **The Effect of dividend policy on stock prices with capital structure as a moderating variable**

A high capital structure will result in liabilities in the form of interest expenses, which in turn will be prioritized over dividend payments, so that high debt levels will cause companies to reduce or not increase their dividend payments (Suhadak and Darmawan, 2011).

Hypothesis 8: The positive effect of dividend policy on stock prices is moderated by the capital structure.

### 3. METHODS

This research is an associative type of research with a form of causal relations. The study was conducted on telecommunications companies listed on the Indonesia Stock Exchange 2011-2018 from the Indonesia Stock Exchange website [www.idx.co.id](http://www.idx.co.id). Based on these criteria, 4 companies were selected as samples. Sampling Samples were taken by purposive sampling. The study period was 8 years (2011-2018) so the number of samples was 32 samples. Data analysis models and techniques in this study use a panel data approach. Before testing hypotheses, the classical assumptions are tested for research data because they are a statistical requirement that must be met to carry out multiple linear regression analysis. In this study, the classic assumption tests to be used are the normality test, the multicollinearity test, the heteroscedasticity test, and the autocorrelation test.

### 4. RESULTS AND DISCUSSION

#### 4.1 Results

Based on descriptive statistical analysis obtained a sample description of the maximum value, minimum value, average value (mean), and standard deviation values as follows:

**Table 1. Descriptive Statistics**

Variable	Min	Max	Mean	Standard Deviation
Stock Price (Y)	50	6450	2961.75	2123.101
Profitability (X1)	-0.831	0.249	-0.0523	0.275
Firm Size (X2)	13.08978	14.31153	13.7138	0.339
Firm Growth (X3)	0.756653	2.748873	1.4889	0.586
Dividend Policy (X4)	-0.03501	0.921071	0.2045	0.285
Capital Structure (Z)	0.824412	4.181163	1.9927	0.98

Determination of the estimation model between the Common Effect Model (CEM), Fixed Effect Model (FEM) and Random Effect Model (REM) in forming a regression, with the estimation model used is the common effect model (CEM). Based on Jarque-Bera (J-B), it is known that the probability value of the J-B statistic is 0.309025 with a significance level of  $n \alpha = 0.05$ , so the normality assumption is fulfilled. Based on the Multicollinearity Test with Correlation Matrix, the correlation values from X1 to X2 and X3, X2 to X1 and X3, and X3 to X1 and X2 are not more than 0.9. So it can be concluded that there are no symptoms of multicollinearity between independent variables. The Durbin-Watson statistical value lies between 1 and 3, which is  $1 < 1.365855 < 3$ , so the non-autocorrelation assumption is fulfilled. Breusch-Pagan Test, with the test results Prob. in the Obs \* R-squared  $0.1286 > 0.05$  which means there is no heteroscedasticity. Based on the coefficient of determination test ( $R^2$ ), it is known that the coefficient of determination (Adjusted R-squared) of  $R^2 = 0.408$ . This value can be interpreted that profitability, firm size, firm growth and dividend policy simultaneously or jointly affect the stock price of 40.8%, the remaining 59.2% is affected by other factors beyond the examined variables.

**Table 2. Partial Test (t Test Statistics)**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1	6006.701	1871.654	3.209301	<b>0.0034</b>
X2	-274.8635	1816.396	-0.151323	<b>0.8808</b>
X3	1788.924	1441.669	1.240870	<b>0.2253</b>
X4	-5499.048	2399.301	-2.291937	<b>0.0299</b>
C	5506.702	24043.81	0.229028	0.8206

Based on the statistical t test, it is known that the regression of profitability is 6006,701, with a significance of 0.0034 <0.05. The regression coefficient value of the firm size is -274.8635, with a significance value of 0.8808,> 0.05. The regression coefficient value of the firm growth is 1788,924, with a significance value of 0.2253,> 0.05. The regression coefficient value of the dividend policy is -5499,048, with a significance value of 0.0299 <0.05.

**Table 3. Interaction Test**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1	<b>5096.030</b>	3262.810	1.561853	0.1320
X2	<b>3007.975</b>	1382.755	2.175349	0.0401
X3	<b>-1167.261</b>	1713.282	-0.681301	0.5025
X4	<b>-13926.15</b>	3886.733	-3.582996	0.0016
X1Z	<b>-647.7561</b>	1076.137	-0.601927	0.5531
X2Z	<b>-112.7697</b>	97.24433	-1.159653	0.2581
X3Z	<b>1981.287</b>	978.2971	2.025240	0.0546
X4Z	<b>11294.19</b>	3040.058	3.715124	0.0011
C	<b>-38066.85</b>	18200.47	-2.091531	0.0477

Based on the interaction test or Moderated Regression Analysis (MRA), Prob Value. at X1Z is 0.5531,> 0.05 which means that capital structure cannot moderate the effect of profitability on stock prices. Prob value at X2Z is 0.2581> 0.05, it is concluded that the capital structure cannot moderate the effect of firm size on stock prices. Prob value at X3Z is 0.0546> 0.05, indicating that the capital structure cannot moderate the effect of the firm growth on stock prices. Prob value at X4Z is 0.0011 <0.05, it is concluded that the capital structure can moderate the effect of dividend policy on stock prices.

## 4.2 Discussion

### **Profitability has a positive and significant effect on stock prices**

The test results show profitability has a positive and significant effect on stock prices, which means hypothesis 1 is accepted. The results of the study are in line with the signalling theory which states that the better profitability, the investor will respond positively because investors use profitability as a material consideration to carry out their investment activities. The higher the positive response from investors to the company, the more investors will want to invest in

the company. A lot of demand for the company's shares will cause stock prices to increase.

The results of this study are also supported by the results of research by Hutami (2012), Tamonsang and Arachman (2015), Ardison et. al (2017), Arifin and Bustami (2016), Wehantouw et. al (2017), and Afrizal (2015) which states that profitability has a positive effect on stock prices. Profitability is also a performance indicator made by management in managing the company's wealth as indicated by the profits generated, an increase in profitability will be a good impact for the company in the eyes of investors so that it affects the stock price increase. The higher return on equity, which in this case is used as a proxy for profitability, means the better performance of the company in managing its capital to generate profits for shareholders, so that it attracts investors to invest in the company, and high demand for company stock will have an impact on increasing the company's stock price. But the results of this study are not in line with research conducted by Ircham, et al. (2014) and Meythi et al. (2011) who found a negative effect on profitability on stock prices.

#### **Firm size has a negative and not significant effect on stock prices**

The test results show that firm size has a negative but not significant effect on stock prices, which means hypothesis 2 is rejected. The results of this study are not in line with the research of Rosita (2017), Arifin and Bustami (2016), Sukarno et al. (2016), and Lamboan (2015) and signalling theory which states the positive effect of firm size on stock prices. Based on the signalling theory, firm size which is seen from the size of the total assets is a positive signal for investors, where the company that is able to manage assets properly will be a signal for investors to invest so that it has an impact on increasing demand for shares in the market and raising stock prices (Brigham & Houston, 2001). But the results of this study are in line with Sofilda and Subaedi (2006), Novianti (2012) and Rendianto (2013), who did not find any effect on firm size with stock prices.

Larger companies have more assets and tend to operate at the maximum level, so they have a greater chance of maintaining share prices and even raising share prices. However, the results of this study, showed insignificant results the effect of firm size with stock prices. This can occur because firm size is not enough information in measuring the performance of a company. Investors assume that large firm size does not always provide a large rate of return on shares, and does not rule out the possibility of small companies being able to provide high stock returns. The amount of assets of a company if not managed properly for the operations of a company, it will not be able to produce profits that are not optimal and have an impact on the stock price decline. So that firm size will not be able to predict the amount of profit or stock returns of a company. This causes an interest from investors in seeing firm size in making decisions to invest.

#### **Firm growth has a positive and not significant effect on stock prices**

The test results show the firm growth has a positive but not significant effect on stock prices, which means hypothesis 3 is rejected. The results of this study are not in line with the signalling theory which states that in a company that is

experiencing growth, it will signal to investors to make investments because investors see opportunities that have an impact on increasing demand for shares in rising stock prices. The results of this study also contradict the research of Ardison et. al (2017) and Purba (2017), which found the effect of firm growth with stock prices, the better the firm growth, it will increase the positive response of investors to the company, so that more investors who invest their capital in the company will be followed by an increase the company's stock price. However, the results of this study support the research of Rahmandi (2013) and Lamboan (2015) who found no significant effect on firm growth with stock prices.

The firm growth shows that the company is able to survive in the industrial competition and successfully carry out the company's strategy. In this study, company growth does not have a significant effect on stock prices, this is because investors generally do not make use of company growth information in decision making. The large level of assets owned by the company and a benchmark of the ratio measured in this study which is a guarantee for investors to invest, does not guarantee it will always describe the company's good financial flows. This is a possibility that the growth of telecommunications company assets is capitalized or financed by large external funds so that it becomes a reconsideration for investors to look at other factors in investing in the company, and the firm growth rate does not necessarily make investors decide to release or buy shares in company. So in this case, the firm growth will not affect the stock price.

#### **Dividend policy has negative and significant effect on stock prices**

The test results show the dividend policy has a negative and significant effect on stock prices, which means hypothesis 4 is rejected. This result is contrary to Bird in the Hand Theory, which says that stock prices can increase with the high dividend distribution. The results of this study are also not in line with the results of the study of Wijaya and Sedana (2013) which states that dividend policy has a positive influence on stock prices.

The results of this study are also in line with the research of Hussainey et al. (2011), Anastassia and Firnanti (2014), Ratnasari (2018), and Tax Preference Theory which states that low dividend distribution will increase company stock prices. This theory highlights more in terms of differences in taxes imposed on dividends and capital gains. This is because capital gains have several advantages over dividends because the taxes imposed on capital gains have several advantages over dividends because the taxes imposed on capital gains are smaller than dividend taxes, in addition, capital gains also have other advantages, namely the delay in tax payments to shares sold. Therefore, investors prefer capital gains rather than dividends, so that low dividend payments can increase share prices.

#### **Effect of profitability on stock prices not moderated by capital structure**

The moderation test results show that the capital structure cannot moderate the effect of profitability on stock prices, which means hypothesis 5 is rejected. In companies that have a high level of profitability, tend to have a low or minimal level of capital structure in the use of external funds. In companies that have a high level of profitability, managers tend to prioritize the use of internal funds either for

company operations or to invest rather than use debt. So in this case, capital structure cannot be used as a moderating variable. Capital structure is not significant in moderating because investors' decisions in buying shares, capital structure is not the focus of investors in making these decisions. Investors look more at the company's prospects based on the company's financial performance, which can be seen in the level of good profitability of the company. So in this study, capital structure cannot moderate the effect of profitability on stock prices.

#### **Effect of firm size on stock prices not moderated by capital structure**

The moderation test results show that capital structure cannot moderate the effect of company size on stock prices, which means hypothesis 6 is rejected. In companies that have large assets, investors often do not see the structure of capital in making investment decisions. Investors will be more interested in seeing the company's profits, so this causes the capital structure cannot moderate firm size on stock prices. The use of maximum total assets will improve the performance of a company and provide maximum profit that can be used by the company to expand its business so as to attract investors. In companies with maximum asset management, the funds needed for operations and investments can be covered by their own profit so that the level of debt is not really needed by the company. Therefore, in this study the capital structure proxied by DER has not been able to become a moderating variable.

#### **Effect of firm growth on stock prices not moderated by capital structure**

The moderation test results show that the capital structure cannot moderate the effect of firm growth on stock prices, which means hypothesis 7 is rejected. If the level of capital structure is not used maximally, it will affect the decreasing rate of firm growth. Companies should be able to use external funds to expand so that it has an impact on rising share prices. When the maximum use of funds, both internal and external funds, the company will be able to improve performance and increase the value of the company in the eyes of investors so that it makes it easier to get investment opportunities. But in this study, capital structure cannot moderate company growth on stock prices. Or in other words, the use of the company's capital structure is not optimal in carrying out company operations.

#### **Effect of dividend policy on share prices moderated by capital structure**

The moderation test results show that the capital structure can moderate the effect of dividend policy on stock prices with a positive coefficient, so that the capital structure is able to strengthen the relationship between dividend policy and stock prices, which means hypothesis 8 is accepted. The use of a maximum capital structure can increase company profits and increase the distribution of dividends, so investors are more interested in investing in these companies and will be a positive impact on the company's stock price. A high capital structure will have an effect on the obligations or high interest rates of the company, and the company will prioritize paying debts rather than paying dividends, so this makes the company's stock price decline. Low rated stocks should be higher with the existence of dividends, because the distribution of dividends has information

content in the form of good and bright future prospects from the company so that this will be a signal for investors who will later affect stock prices (Brigham and Houston, 2012). Therefore, dividend distribution is often followed by an increase in share prices. So in this case, capital structure has a strong and positive effect on the relationship between dividend policy and the company's stock price.

## **5. CONCLUSIONS AND SUGGESTIONS**

Based on the results and discussion, the conclusion in this study is that profitability has a positive and significant effect on stock prices, firm size and dividend policy has a negative and significant effect on stock prices, and firm growth has a positive and not significant effect on stock prices. Capital structure cannot moderate the effect of profitability, firm size, and firm growth on stock prices, but capital structure can moderate the effect of dividend policy on stock prices.

The limitation in this study is that the object of observation in this study only focused on telecommunications companies listed on the Indonesia Stock Exchange (IDX). So that the sample obtained is still very small, so it is recommended for further researchers to add other factors such as net profit margin, earnings per share, corporate taxes and other factors that can affect stock prices. Further researchers can also add years of research and conduct research in other sectors.

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