ANALYSIS OF THE EFFECT OF ECONOMIC VALUE ADDED AND OTHER FUNDAMENTAL FACTORS OF SHARE RETURNS

Putri Renalita Sutra Tanjung
Universitas Mercu Buana

ABSTRACT
This study aims to analyze the influence of EVA (Economic Value Added), DER (Debt to Equity Ratio), ROA (Return on Assets), and PER (Price to Earnings Ratio) to Stock Return. The sampling technique used is purposive sampling. The study was conducted on consistent companies included in the Compass-100 Index in Indonesia Stock Exchange with a research period of 3 (three) years (2014-2016). The estimation of the model used is panel data regression. Test result shows that DER (Debt to Equity Ratio), ROA (Return on Assets), and PER (Price to Earnings Ratio) have an effect on stock return, the whole result of this research proves Agency Theory in the form Another is that managers are not only responsible for the shareholders but are also responsible to all stakeholders.
KEYWORDS: *EVA, DER, ROA, PER, Return Saham.*

1. INTRODUCTION

The capital market is very instrumental for economic development, namely as one source of external financing for the business world and a vehicle for public investment. Therefore, community participation is expected to participate actively in moving the economy. The provision of private sector funds for development is quite large, so it is necessary to encourage the mobilization of public funds through the role of banking and capital market development.

Investors who want to invest their money in the capital market can purchase shares or certificates of funds. Investors invest their funds in the capital market not only for short-term investments but also for long-term income. The total income desired by shareholders is dividends and capital gains (Ang, 2007) [1].

The total return to be received by shareholders is the level of return on investment which is the sum of the Dividend Yield and Capital Gain (Jogiyanto, 2008)[2]. The dividend yield is the rate of return that investors receive in cash at the end of each accounting period. The higher market prices indicate that these stocks are very attractive to investors because the higher the stock prices will produce greater capital gains.

Two possibilities will be faced by investors in investing, namely obtaining the highest level of profit with high risk or a certain level of profit with the smallest risk (Husnan, 2008) [3]. If investors are faced with two investment alternatives that will provide the same level of return but have different risks, investors will choose the investment with the smallest risk.

Insecurities trading, especially stocks, information has a dominant and crucial role. A capital market is categorized as efficient if the price of the security reflects all relevant information. The faster the information is reflected in the price of the security, the more efficient the capital market will be. The capital

market in Indonesia is included in the capital market which is in a weak form of the efficient condition (Weak from efficiency), that is, the price reflects all the information in the records. Capital owners who want to invest their capital in the capital market generally have information about the company through information disclosed by the company through the prospectus. Fundamental performance information disclosed in this prospectus helps investors in making rational decisions about the risks and returns of shares on the stock exchange (Sunariyah, 2004).

Performance evaluation by evaluating financial statements by using financial ratios such as Return on Investment (ROI), Return on Equity (ROE), Return on Assets (ROA), Net Profit Margin (NPM), most of them still use financial data that is not again adequate and the measurement model must also be adapted to the business environment. An important weakness in using financial ratios is that reported earnings do not include an element of capital costs. To overcome these weaknesses, the concept of Economic Value Added (EVA) was developed.

The concept of Economic Value Added (EVA) measures added value by reducing the cost of capital (costs of capital) arising from investments made by companies. Positive Economic Value Added (EVA) indicates that the company has succeeded in creating value for the capital owner because the company can produce returns that exceed the capital level. This is in line to maximize the value of the company.

Sakir (2009) states EVA is a performance measure that combines the acquisition of value with the cost of obtaining that value. The advantages of EVA to provide benefits for performance measurement make companies pay more attention to the capital structure that can be used to identify activities or projects that provide higher returns than capital. Performance appraisal using EVA makes managers think and act like shareholders, which is maximizing the rate of return and minimizing the level of capital costs so that the value of the company can be maximized

In addition to EVA also used MVA which functions as a measure of financial performance. MVA measurements assess the impact of managers' actions on the prosperity of their shareholders since the company was established. Market Value Added (MVA) is used to measure the entire influence of performance since the company was established until now. MVA is an Economic Value Added that results in managerial performance throughout the company's lifetime that is presented in value.

Market Value Added (MVA) is a measure of external performance, and can only be measured if the company has gone public, where Market Value Added tends to provide a greater valuation of the actual additional investment wealth. Relationship of Economic Value Added (EVA) with Market Value Added (MVA)

Formulation of the problem

Based on the background that has been described, the formulation of the problem in this study are:

1. Does Economic Value Added (EVA) affect stock returns?
2. Does Debt to Equity Ratio (DER) affect stock returns?
3. Does Return on Assets (ROA) affect stock returns?
4. Does Price Earning Ratio (PER) affect stock returns?

2. LITERATURE REVIEW

Theory Asymmetry of Information and Signaling

This theory says that the parties related to the company do not have the same information about the prospects and risks of the company. Certain parties have more information than others. This theory consists of theories:

a. Myers and Majluf

According to this theory, there is information asymmetry between the manger and outsiders. The manager has more complete information about the company's condition compared to outside parties.

b. Signaling

a model in which the capital structure (use of debt) is a signal delivered by managers to the market. If the manager has confidence that the company's prospects are good, and therefore wants the shares to increase, he wants to communicate this to investors. Managers can use more debt as a more credible signal. Because companies that increase debt can be seen as companies that are confident in the company's prospects in the future. Investors are expected to catch the signal, a signal that the company has good prospects.

Agency Theory (Agency Approach)

According to this approach, capital structures are structured to reduce conflicts between various interest groups. The conflict between shareholders and managers is the concept of free-cash-flow. There is a tendency for managers to retain resources so that they have control over those resources. Debt can be considered as a way to reduce the free cash flow legends conflict. If the company uses debt, then the manager will be forced to issue cash from the company to pay interest

Fundamental Analysis

The fundamental analysis states that each share investment has a strong foundation called intrinsic value that can be determined through a very careful analysis of the company's current condition and prospects. Intrinsic value is a function of company

factors combined to produce an expected return (return) with inherent risk in the stock.

This value is estimated by investors or analysts, and the results of this estimate are compared with the current market value (current market price) so that it can be known stocks that are overpriced or underprice (Sunariyah, 2004). Husnan (2008) states that fundamental analysts try to estimate stock prices in the future by (1) estimating the value of fundamental factors that affect future stock prices (2) applying the relationship of these factors to obtain an estimated stock price. To estimate the stock price can use fundamental analysis which analyzes the financial and economic conditions of the company that issued the shares. The analysis can include sales trends and corporate profits, product quality, the company's competitive position in the market, the company's working relationship with employees, the source of raw materials, company regulations and several other factors that can affect the value of the company.

Stock Return

Stock returns can be divided into two, namely the actual return (realized return) and the expected return or expected return. Returns are Returns that have been calculated from the difference in the current price relative to the previous price. Moderate expected Returns are Returns that are expected to be obtained by investors in the future. The return has two components, namely current income and capital gains (Wahyudi, 2013).

The form of current income in the form of profits obtained through periodic payments in the form of dividends as a result of the company's fundamental performance. While capital gains in the form of profits received because of the difference between the selling price and the purchase price of shares. The amount of capital gain of a stock will be positive if the selling price of shares owned is higher than the purchase price. According to Jogiyanto (2010) shares are divided into two: (1) Realized returns are Returns that have occurred, (2) Expected returns are Returns that are expected to be obtained by investors in the future. Based on the understanding of Return, that the Return of a stock is the result obtained from investment by calculating the difference in the price of the current period with the previous period by ignoring dividends, then the formula can be written (Ross et al., 2015)

$$R_t = \frac{P_t - P_{t-1}}{P_{t-1}}$$

Where :
Rt: Stock Return in period t.
Pt: Share price in the observation period
Pt-1: Share price period before observation.

Economic Value Added (EVA)

The emergence of the term EVA (Economic Value Added) was popularized by Stern Stewart Management Service, a consulting company from the United States. EVA calculation has been widely used in various large companies in the United States.

EVA (Economic Value Added) is based on the concept in measuring a company's earnings, that it must be "fair" considering the expectations of each fund provider (creditors and shareholders). The degree of fairness is expressed by the weighted measure of the existing capital structure. For this reason, an understanding of the concept of capital (cost of capital) is necessary because EVA (Economic Value Added) moves from there. In summary, according to Young and O'Byrne (2001), EVA is calculated by a simple formula like the following:

$$EVA = NOPAT - Capital\ Charge$$

Where:
NOPAT = Net Operating Profit after Tax (Income after-tax but not yet reduced by interest costs)
Capital Charge = Invested Capital x Cost of Capital
If EVA> 0 then there is an additional economic value to the company (business). If EVA = 0, then the meaning is that economically the company breaks even because all profits are used to pay obligations to funders, both creditors and shareholders. If EVA <0, then there is no added value to the company because the available profits cannot meet the expectations of the funders, especially shareholders. The steps in determining EVA size are:
1. Calculate/estimate the cost of debt
2. Estimating the cost of equity capital (cost of equity)
3. Calculating the capital structure (from the balance sheet)
4. Calculate the weighted averaged cost of capital (WACC)
5. Calculating EVA (Economic Value Added).

Debt to Equity Ratio (DER)

DER (Debt to Equity Ratio) is one of the leverage ratios that measure how much the company's operations are financed by debt when compared to the company's operations financed by Equitas. This ratio shows how much the company depends on the funds of the creditors compared to the funds provided by the owner. In general, the creditor or prospective creditor requires information on how much the owner's funds as the basis for determining the level of creditor security. Low leverage ratios have a small risk of loss when the economy slumps and low profits when the economy surges up. Mathematically the DER can be formulated as follows:

$$DER = \frac{Total\ Hutang}{Total\ Share\ Holder's Equity}$$

Return on Assets (ROA)

Return on Assets (ROA) is one of the profitability ratios. In the analysis of financial statements, this ratio is most often highlighted,

because it can show the company's success in making a profit. ROA can measure the company's ability to generate profits in the past and then projected in the future. Assets or assets in question are the entire assets of the company, obtained from own capital or from foreign capital that has been converted by the company into company assets that are used for company survival. According to Brigham and Houston (2001: 90), "The ratio of net income to total assets measure the return on total assets (ROA) after interest and taxes".

Horne and Wachowicz (2015), "ROA measures the overall effectiveness in generating profits through available assets; power to generate profits from invested capital. " Horne and Wachowicz calculate ROA by 9 using the net profit after tax formula divided by total assets. Bambang Riyanto (2011: 336) calls the term ROA with a Net Earning Power Ratio (ROI), which is the ability of capital invested in total assets to generate net profits. The net profit he meant was the net profit after tax. From the description above it can be concluded that ROA or ROI in this study is to measure the ratio between net income after deducting interest expenses and tax (Earning After Taxes / EAT) generated from the company's main activities with the total assets (assets) owned by the company to carry out activities company as a whole and expressed as a percentage.

Price Earning Ratio (PER)

Price Earning Ratio (PER) is a market ratio related to earnings per share. Price Earning Ratio (PER) is an important measure of value used by investors in the stock exchange. This ratio is used as a going concern method in valuing stocks. As long as the company is a profitable business entity, the real value (or current value) is reflected through profits. A high PER shows good prospects for stock prices, but the higher the risk. Low PER can mean high corporate profits, and high dividend potential. The uses of this ratio include (Van, 2005); (1) determine the expected stock market value (2) determine the future stock market value, and (3) determine the level of stock capitalization. PER is a comparison between the Market Price of stock with EPS of the relevant stock. Mathematically PER can be formulated as follows (Ang, 2007):

$$PER = \frac{P_t}{EPS}$$

Where:

Pt = Share Price in period t

EPS = Earning Per Share

Previous Research

Baadilla (2010) examined the Effects of EVA, MVA, and DER on Stock Returns on Automotive Company Stocks on the Indonesia Stock Exchange. The independent variables in this study are EVA (X1), MVA (X2), and DER (X3) and stock return (Y) as the dependent variable. The population used in the study was automotive companies listed on the IDX in 2006 and 2008, the number of samples used was 13 companies using purposive sampling. The analysis technique used is multiple regression. Based on the analysis results obtained that EVA partially positive and not significant effect on stock returns on automotive companies on the Indonesia Stock Exchange, MVA has a positive and significant effect on stock returns on automotive companies on the Indonesian Stock Exchange, and Debt To Equity Ratio (DER) has a negative effect and significant towards stock returns in automotive companies on the Indonesia Stock Exchange. Simultaneously EVA, MVA, and DER have a significant influence on stock returns on automotive companies on the Indonesia Stock Exchange.

Dwijayanti et. al (2011) examined the Effect of CSR Disclosure Level on the Relationship Between Financial Performance and Stock Return. This research was conducted at the Indonesia Stock Exchange in 2007 to the 2010 fiscal year. The influence of the interaction variables was tested with Moderated Regression Analysis (MRA), and the variable regression coefficient different tests. The results showed that the accounting performance of ROA and EVA partially had a positive effect on stock returns. While CSR disclosure is not significantly proven as an interaction variable in the relationship between ROA and stock return, and EVA with stock return. The results of this study also showed that there were significant differences between the ROA performance measurements compared to EVA.

Ifdari (2012) examines the Analysis of the Effects of EVA and Profitability Ratios on Share Prices on Service Companies listed on the Indonesia Stock Exchange. The model used to analyze the data in this study is multiple linear regression. The research variables are ROA, ROE, EPS, EVA, and stock prices. The results of the f test simultaneously revealed that the influence of the independent variables simultaneously was not significant to the dependent variable or ROA, ROE, EPS, EVA did not affect stock prices. Partial test results indicate that the independent variable has no significant effect on stock prices (Y), but the direction of the coefficient is different. ROA and EPS have a negative effect while ROE and EVA have a positive effect.

Framework

Based on the periodization chosen in this study and the previous description, the theoretical framework of this research is described as follows:

Figure 1. Thinking Framework
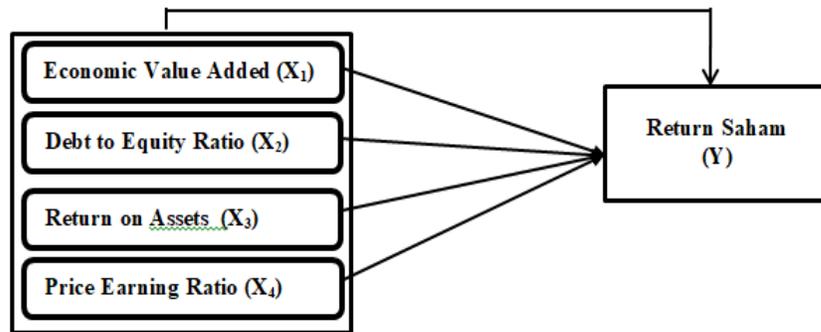
Research Hypothesis

Concerning the formulation of the problem, literature review, as well as the framework of thought, described earlier, the hypotheses proposed in this study are:

H1: EVA affects stock returns.

H2: DER affects stock returns.

H3: ROA affects stock returns.

H4: PER affects the stock return.

3. METHODS

Research Type

This research is causal research that is research that aims to test hypotheses about the effect of one or several variables on other variables. Researchers use the research design to provide empirical evidence about the effect of EVA, DER, ROA, and PER on Stock Returns

Research and Operational Variables

1. Economic Value Added (EVA): is a measure of Financial Performance that takes into account the interests of capital owners. EVA calculation is obtained by subtracting the company's net income with the product of the weighted average capital cost (WACC) with invested capital. Ratio data scale.

2. Debt to Equity Ratio (DER): This shows the company's ability to meet total obligations based on total capital. DER data were obtained from the Indonesia Capital Market Directory (ICMD). Ratio data scale

3. Return om Assets (ROA): return on total assets (ROA) is calculated by comparing the net income available to ordinary shareholders with total assets. Data obtained from the Indonesia Capital Market Directory (ICMD). Ratio data scale.

4. Price to Earnings Ratio (PER): used to see the performance of a company's stock market price on earnings per share (EPS). PER data were obtained from the Indonesia Capital Market Directory (ICMD). Ratio data scale.

5. Stock Return shows the ratio of the level of profits enjoyed by investors for investments made. calculation of stock returns the difference between the end of the year stock price with the stock price at the beginning of the year plus the dividends paid, the results are divided by the share price at the beginning of the year. Ratio data scale.

Population and Research Samples

The population for testing this research hypothesis is all companies included in the companies listed on the Kompas 100 Index on the Indonesia Stock Exchange during 2014-2016. The sampling technique used was purposive sampling. The sample is sent for certain types of groups that can provide the information needed because the group is the only party that has the information or because the group fits the established criteria.

Data Collection Technique

Data collection methods in this research are carried out in the following ways:

1. Documentation, i.e. collection of data available on the research object.

2. Literature study, namely from the literature relating to the problems in writing this research.

Data Analysis Method

The analytical method used in this study includes an econometric model approach consisting of; Descriptive statistics and panel data regression analysis. Panel data regression is a regression technique that combines time series data with cross-sections. According to Widarjono (2007) panel, data regression method has several advantages when compared to time series data or cross-sections, namely:

1. Panel data which is a combination of two-time series data and a cross-section is able to provide more data so that it will produce a greater degree of freedom.

2. Combining information from time-series data and cross-sections can overcome problems that arise when there are omission variables (omitted-variables).

The advantages of panel data regression according to Wibisono (2007) include:

1. The data panel is able to calculate individual heterogeneity by allowing individual-specific variables;
2. This ability to control heterogeneity further makes panel data used for testing and building more complex behavioral models.
3. Panel data is based on repeated cross-section observations (time series), so that the panel data method is suitable for use as a study of dynamic adjustment.
4. The high number of observations has implications for data that are more informative, more varied, and collinearity (multicore) between data decreases and degrees of freedom (df) are higher so that more efficient estimation results can be obtained.
5. Panel data can be used to study complex behavioral models.
6. Panel data can be used to minimize the bias that might be caused by the aggregation of individual data.

With these advantages, the implication of not having to do classical assumption testing in the panel data model (Gujarati, 2006; Wibisono, 2007; Aulia; 2004, in Shochrul R, Ajija, et al. 2011). Panel data regression analysis was performed with Eviews 7.0 software. Testing to choose whether the model will be analyzed using the pooled least square or fixed-effect method can be done with the Chow Test and to find out whether the Fixed Effect Method or the Random Effect Method that is suitable for estimating panel data models is carried out by the Hausman test.

4. RESULTS AND DISCUSSION
Description of Research Object

Based on data obtained from the official website of the Indonesia Stock Exchange or www.idx.co.id, it is known that the companies that consistently registered in the Compass 100 Index during the study year (2014-2016) were 45 companies. The determination of the research sample is done by purposive sampling method. Based on the established criteria 40 companies were obtained as samples, as shown in Table 1

Table 1. Sample Selection Results

No	Results of Determination Sample	Number of criteria
1.	Companies that consistently list in the Kompas 100 index in 2014-2016	45
2.	Companies that have not published financial and annual reports in 2014-2016	(5)
	total companies sampled	40

Data Analysis Results

The analytical method used in this study includes the econometric model approach which consists of the analysis of descriptive statistics and analysis of statistical inference.

Descriptive Statistics Analysis Results

From the descriptive statistical test results, the following information is obtained:

Table 2. Descriptive Statistics Test Results

	EVA	DER	ROA	PER	RET
Mean	-834749.6	1.7365	27.0885	20.7309	0.2354
Maximum	7745675.	9.0646	162.999	355.0900	0.8621
Minimum	-1245868	0.1300	--6.3275	-2.8900	-0.6388
Std. Dev.	1355356.	1.877	2.9834	3.9346	0.2916
Observations	120	120	120	120	120

The EVA variable has a range of values from -1,245,868 to 7,745,675. The lowest value is owned by a company with BBCA code in 2015, and the highest value is owned by a company with BBNI code in 2016. The average EVA value is -837479.6 and the standard deviation is worth 1355356

In this study it can be concluded that the average company that was in the Compass 100 Index during the 2014-2016 period had a negative EVA value (<0). A negative EVA implies a decline in the value of wealth. A public company that produces a negative EVA value even though it can record a high net profit though, means that this company has not been able to produce a level of return on capital that is commensurate to cover the risk and investment costs invested by the capital owner (investor). Or more simply, if the capital owner's funds invest in risk-free securities such as SBI (Bank Indonesia Certificates) or deposits, the results will be greater and avoid the worry of fluctuations during uncertain conditions.

The DER variable has a range of values from 0.13 to 9.06. The lowest DER value is owned by companies with BBCA code in 2014, and the highest value is owned by companies with BBKP code in 2014. The average DER value is 1.73. While the standard deviation is 1.87. The average DER value of companies in the Compass 100 Index for 2014-2016 is 1.73 units, which means that every Rp.1 of equity in

the company is used to pay off the total liabilities of Rp. 1.73. In general, it can be concluded that companies that are in the Compass 100 Index in 2014-2016 are not solvable. However, by some investors, DER is seen as the amount of corporate responsibility towards third parties, namely creditors who provide loans to companies, so that the greater the value of DER will increase the responsibility of the company. The debt policy to be taken by the company is related to the company's ability to repay debt. The ability of the company can increase the confidence of creditors to lend funds to the company.

The ROA variable has a range of values from -6.32% to 162.99%. The lowest ROA value is owned by companies with the AKRA code in 2014 which is -6.32% which means that AKRA in 2014 suffered a loss.

The average ROA value of companies in the Compass 100 Index in 2014-2016 is 27.08%, which means that the average company in 2014-2016 can generate profits, and the standard deviation is 22.33%.

The PER variable has a range of values from -2.89% to 355.09%. The lowest PER value is owned by companies with BHIT code in 2014 which is -2.89%, and the highest value is owned by ANTM companies in 2016. Price Earning Ratio is the ratio of how the market appreciates company performance reflected by its earning per share. Price Earning Ratio shows the relationship between the ordinary stock market with earnings per share. The greater the Price Earning Ratio of stock, the price of the stock will be more expensive to the net income per share. This ratio figure is usually used by investors to predict the company's ability to generate profits in the future.

Hypothesis Testing and Discussion

Hypothesis testing in this study using panel data analysis. Testing to choose whether the model will be analyzed using the pooled least square or fixed-effect method can be done with the Chow Test and to find out whether the Fixed Effect Method or the Random Effect Method that is suitable for estimating panel data models is carried out by the Hausman test. Following are the results of several tests conducted to determine the best method to be used in this study:

Table 3. Hypothesis Testing

VARIABLE	Pooled Least Square (PLS)		Fixed Effect Method (FEM)		Random Effect Method (REM)	
	Coef.	Prob.	Coef.	Prob.	Coef.	Prob.
C	0.288567	0.0000	0.311228	0.0000	0.234455	0.0000
EVA	-2.60E-09	0.7659	5.21E-09	0.1179	5.66E-09	0.6343
DER	-0.056789	0.3484	0.031233	0.0133	0.001434	0.9454
ROA	-0.000609	0.8453	0.005400	0.0008	-0.001342	0.4145
PER	-0.001230	0.0561	0.001666	0.0000	-0.001877	0.5862
R^2	0.026779		0.773872		0.06652655247	
F-statistic	1.1098702345		133.6224		2.143832	
Prob(F-statistic)	0.366188		0.000000		0.074534	
Uji Chow (Prob.)	0.0000					
Uji Hausman (Prob.)			0.22097			

After doing some testing, the Fixed Effect Method was chosen as the panel data model estimation approach. The data in Table 3 shows that the highest R Square value is using the Fixed Effect Method approach, at 77.38%. The best level of significance partially or individually can also be explained using FEM. Based on the Chow Test the Cross-Section F probability value is 0.0000 smaller than Alpha 0.05 so the null hypothesis is rejected. So, for the Chow test, the best model is the model with the Fixed Effect Method.

The R-Square value in this regression model was obtained at 0.773872. This means that 77.38% of the stock return variable can be influenced by EVA, DER, ROE, and PER variables, while the remaining 22.62% can be influenced by other variables not included in this research model. Based on the simultaneous test that has been carried out the significance test shows an F count of 0,000 which means it is smaller than the error degree of 5%. From the results of the F test, this means that Economic Value Added (EVA), Debt Equity Ratio (DER), Return On Assets (ROA), and Price Earning Ratio (PER) variables together have a significant effect on Stock Return.

In partial testing using the Fixed Effect, Method variable turns out that EVA does not affect stock returns. EVA regression coefficient value of 5.21 which means that every time there is an increase in one unit of EVA, it will be followed by an increase in stock returns of 5.21 one-unit. The significant value of the results of statistical data of 0.1179 above the significance value of 0.05, meaning that the EVA variable does not affect stock returns. This indicates that, stock performance does not always go hand in hand with company fundamentals, when the company

receives a positive EVA (> 0) which means the company is able to create economic added value but does not affect the performance of shares on the stock exchange or in other words the performance of shares in the capital market cannot reflect the company's economic added value. The fact that EVA does not have a significant effect on stock returns on the capital market does not reflect EVA from proving that the capital market in Indonesia is Weak Form Efficient, namely that stock prices on the capital market do not reflect all available information.

The relationship between EVA and stock returns, the problem is that it does not always have to be significant or not, because although EVA illustrates how the company's management manages the assets entrusted to him within a certain period, it cannot be denied that stock returns are also always related to the company's future expectations (Yunanta, 2009). Even Taufik also added that an increase in a company's stock return, apart from EVA, could also be caused by positive market confidence in the prospects of the company or the industrial sector where the company is located.

Partial test using the Fixed Effect Method, the regression coefficient value of 0.031 DER which means that every time there is an increase in one unit of DER, it will be followed by an increase in stock returns of 0.031 one-unit. The significance of DER is 0.013 and it means that DER has a significant effect on stock returns. The results of this regression indicate the existence of different considerations from several investors in viewing the DER. By some investors, DER is seen as the amount of corporate responsibility towards third parties, namely creditors who provide loans to companies. So that the greater the value of DER will increase the responsibility of the company. However, it seems that some investors view that a growing company will need debt as additional funds to meet funding for a growing company. The company requires a lot of operational funds that can not be fulfilled only from the company's capital.

In partial testing using the Fixed Effect Method, the regression coefficient value of the variable ROA 0.0054 which means that every time there is an increase in one unit of ROA, it will be followed by an increase in stock returns by 0.0054 one-unit. The significant value of ROA of 0,0008 and which means ROA has a significant effect on stock returns. Fundamental conditions reflect the performance of financial variables that are considered fundamental or important in changing stock prices. Adherents of fundamental analysis assume that if the fundamental conditions or financial performance of the company gets better then the expected stock price will also increase (Ghozali, 2012).

Partial test using the Fixed Effect Method, the regression coefficient value of the variable PER 0.0016 which means that every time there is an increase in one unit of PER, it will be followed by an increase in stock returns by 0.0016 one-unit. The significance of PER is 0.0000 and that means PER affects the stock return. The regression coefficient of the PER variable is positive which indicates the relationship of PER which causes an increase in stock returns. This is because PER is an indicator of development or growth in the future. PER is also one measure of the success of a company so that the higher the PER, the higher the stock price as well as the company's return. Price Earning Ratio shows the comparison of the price of shares purchased with earnings that will be obtained later, so it shows that investors are confident of the number of earnings provided by the company, which will later be distributed to shareholders in the form of dividends in the future. PER can be used by investors to predict the company's ability to generate profits in the future.

5. CONCLUSIONS AND SUGGESTION
Conclusion
Based on the results of the data analysis and discussion, conclusions can be drawn that:
1. Economic Value Added (EVA) does not affect stock returns.
2. Debt to Equity Ratio (DER) affects stock returns.
3. Return on Assets (ROA) affects stock returns.
4. Price Earning Ratio (PER) affects stock returns.

Suggestion
1. For investors and market participants, they can use the value of the company's Debt to Equity Ratio to see how management is responsible for managing the company's debt to creditors. The greater the value of DER will increase the responsibility of the company. The value of DER can also reflect the company's ability to increase the confidence of creditors to lend funds to the company.
2. The management of the company should always pay attention to the factors that are considered by investors or market participants in investing in the stock market, especially in this study in terms of managing corporate debt and also the company's return on capital.

REFERENCES
1. Almilia, Luciana, dan Dwi Wijayanto. 2015. Pengaruh Environmental Performance dan Environmental Disclosure terhadap Economic Performance, The 1st Accounting Conference.
2. Ang, Robert. 2015. Buku Pintar Pasar Modal Indonesia. Mediasoft Indonesia. Jakarta

3. Bjuggren, Per-Olof, Johan E. Eklund, dan Daniel Wiberg, 2007. Institutional Owners and Firm Performance. Working Paper, Royal Institute of Technology, Stockholm, February, pp 1-26.

4. Brigham, F.Eugene and Houston F.Joel. 2007. Essential of Financial Management. Thomson learning

5. Dodd, James L., and Shimin Chen. 2006. EVA: A New Panacea. B&E Review, July-September. p. 26-28.

6. Fama,Eugene and French Ken. 2012. The Cross Section of Expected Stock Return Journal of Finance.

7. Freeman, RE. 2004. Strategic Management: A Stakeholders Approach. Boston. Pitman.

8. Ghozali, Imam. 2016. Analisis Multivariate dengan Program SPSS. Edisi Ke 6. Badan Penerbit Universitas Diponegoro. Semarang.

9. Gujarati dan Porter. 2015. Dasar-Dasar Ekonometrika. Jakarta : Salemba Empat

10. Gujarati, Dasar-dasar Ekonometrika, (Jilid 2 Edisi 3), Jakarta: Erlangga, 2012.

11. Husnan, Suad. 2010. Manajemen Keuangan Teori dan Penerapan Keputusan Jangka Pendek. Badan Penerbit UGM. Yogyakarta.

12. Jogiyanto, Hartono. dan Chendrawati. 2008. ROA and EVA: A Comparative Empirical Study. Gadjah Mada International Journal of Business Volume 1, No. 1.

13. Kinder Lydenberg Domini (KLD). 2008, http://www.kld.com/indexes/index.html

14. Lehn, K dan A.K. Makhija. 2006. EVA and MVA as Performance Measures and Signals for Strategic Change. Strategy and Leadership Magazine, June. p. 34-38.

15. Megginson, William. 2007. Corporate Finance Theory. Addison–Wesley Educational Publishers Inc

16. Munawir, S. 2002. Analisa Laporan Keuangan, Edisi keempat. Yogyakarta: Liberty

17. Natasyah, Syahib. 2008. Analisis Pengaruh Beberapa Faktor Fundamental dan Resiko Sistematik Terhadap Harga Saham, Jurnal UGM, Vol 15 No.3 Juli 2000.

18. Sakir, A, 2009. Pengaruh Economic Value added (EVA) Terhadap Harga Saham Perusahaan yang Terdaftar di Jakarta Islamic Index Bursa Efek Indonesia, Jurnal Ekonomi dan Bisnis, Vol 8, no, 2, hal 150-165. Universitas syiah kuala.

19. Sjarief, Juliati dan Aruna Wirjolukito. 2008. Pengaruh Economic Value Added dan Faktor Lainnya terhadap Harga Pasar Saham. Media Riset Akuntansi, Auditing dan Informasi Volume No. 4

20. Smart, S.B., and Megginson, Gitman. 2004. Corporate Finance. Ohio: South-Western, Thomson Learning: Mason.

21. Stern Stewart and Co, 1996, The Stern Stewart Performance 1000, The Definitive Guide To MVA and EVA, Stern Stewart Management Service.

22. Susilowati, Erik. 2011. Analisis Pengaruh Economic Value Added (EVA) dan Rasio Keuangan Terhadap Return Saham Syariah, Jurnal Ekonomi MEDERNISASI, Volume 6, Nomor 1, hal 1-21, Universitas Kanjuruhan Malang.

23. Sutedjo. 2006. "Faktor-Faktor Yang Mempengaruhi Earning Per Share" Studi Kasus pada Bank Syariah 'A' di Jakarta Periode 1997-2004," Jurnal Ekonomi Keuangan dan Bisnis Islam Universitas Indonesia, Vol.2,

24. Tandelilin, Eduardus. 2010. Portfolio dan Investasi, Teori dan Aplikasi. Kanisius. Jogyakarta

25. Utomo, Lisa Linawati. 2004. "Economic Value Added Sebagai Ukuran Keberhasilan Kinerja Manajemen Perusahaan," Jurnal Akuntansi dan Keuangan, Vol. 1, No. 1

26. Van Horne, James C dan John M. Wachowicz, JR, 2005. Financial Management, Edisi 12, Salemba Empat, Jakarta.

27. Young, S.D dan S.F. O'Byrne. 2001. EVA dan Manajemen Berdasarkan Nilai. Terjemahan Lusy Widjaja, Cetakan Pertama. Salemba Empat. Jakarta.