International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Analysis Of The Effect Of Debt To Equity Ratio And Asset Growth On Stock Price Of Pt Garuda Indonesia Tbk

Junita Adiratwan[1], M. Rimawan[2], Juwani[3]

Study Program of Management, Sekolah Tinggi Ilmu Ekonomi (STIE) Bima[123]

Junitaadiratwan.stiebima22@gmail.com, rimawan111@gmail.com
juwani.stiebima@gmail.com

Abstract

This study aims to analyze the effect of Debt to Equity Ratio (DER) and Asset Growth on the stock price of PT Garuda Indonesia (Persero) Tbk. The research employs an associative quantitative approach using secondary data from the company's financial statements over an 11-year period (2014–2024). Data were obtained from the official website of PT Garuda Indonesia Tbk and analyzed using multiple linear regression with the assistance of SPSS version 23. Classical assumption tests were conducted, including normality, multicollinearity, heteroscedasticity, and autocorrelation tests, all of which confirmed that the regression model met the required assumptions. The results show that: (1) Debt to Equity Ratio partially has a significant effect on stock price (t-count 3.713 > t-table 2.447; sig. 0.006 < 0.05); (2) Asset Growth partially has no significant effect on stock price (t-count 1.315 < t-table 2.447; sig. 0.225 > 0.05); and (3) simultaneously, DER and Asset Growth have a significant effect on stock price (F-count 6.923 > F-table 4.76; sig. 0.018 < 0.05). The coefficient of determination (R^2) of 63.4% indicates that both independent variables jointly explain 63.4% of the variation in stock price, while the remaining 36.6% is influenced by other factors outside this study.

Keywords: Debt To Equity Ratio, Asset Growth, Stock Price

INTRODUCTION

The capital market is one of the important pillars in a country's economic system, as it functions as a means of raising long-term funds connecting those in need of capital

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

with those having surplus funds. In Indonesia, the Indonesia Stock Exchange (IDX) has grown rapidly as a platform for securities transactions that is increasingly favored by both domestic and foreign investors. This development is reflected in the consistently increasing number of listed companies and market capitalization from year to year. According to Fahmi and Sari (2021), an efficient capital market plays a strategic role in driving national economic growth through optimal mobilization of financial resources. As financial literacy among Indonesians improves, investing in the capital market is no longer the exclusive domain of institutional players but has expanded to an increasingly broad segment of investors (Pratiwi & Wahyudi, 2020).

Stock price is the main indicator used by investors in making investment decisions in the capital market. Stock prices reflect market expectations regarding a company's future performance, so stock price movements are closely related to both fundamental conditions and prevailing market sentiment. Rational investors will always strive to analyze various relevant information to estimate the intrinsic value of a stock before making buy or sell decisions. According to Hartono (2022), the stock price formed in the market is the result of the interaction between supply and demand forces based on the collective assessment of market participants regarding a company's prospects. The inability of investors to comprehensively understand the determinants of stock prices is often the main cause of suboptimal and harmful investment decisions (Susanto & Darmawan, 2019).

According to Putra and Lestari (2021), financial ratios derived from company financial statements are the most frequently used analytical instruments to predict stock price movements, as they contain comprehensive information regarding a company's financial condition and operational performance. Furthermore, Wulandari and Ansori (2022) add that structural corporate decisions such as financing policies and asset expansion also have a substantial impact on investor perception and are ultimately reflected in stock prices in the market.

Debt to Equity Ratio (DER) is one of the most fundamental solvency ratios in corporate financial analysis, measuring the proportion of total debt to shareholders' equity as a source of corporate financing, Kasmir (2019). A high DER indicates that the company carries a greater financial burden in terms of interest and principal payment obligations, thereby potentially increasing the company's financial risk, Hidayat and Topowijono (2018). As explained by Kurniawan and Mawardi (2020), the optimal capital structure is the composition of debt and equity that can maximize company value while minimizing the weighted average cost of capital. Furthermore, Rahayu and Sari (2019) assert that a

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

thorough understanding of DER is crucial for investors because this ratio directly reflects the level of financial leverage and risk profile of a company, which ultimately affects the expected return required by investors.

The effect of DER on stock prices has been a widely researched subject in the financial literature, yet has produced varied findings. Several studies found that DER has a negative and significant effect on stock prices, meaning that an increase in company debt tends to reduce investor confidence and push down stock prices. Hidayat and Topowijono (2018), in their study on manufacturing companies listed on the IDX for the period 2013–2016, found that DER had a significant negative effect on stock prices, arguing that high debt burdens increase the perceived bankruptcy risk by the market. Anwar and Masodah (2021) also confirmed the negative relationship of DER with stock prices in the banking sector, on the grounds that high leverage worsens institutional investor risk perception.

Asset growth is an important indicator that reflects the company's ability to develop its business scale over time through the accumulation of productive resources. Asset growth is measured by the percentage change in total company assets in a certain period compared to the previous period, thereby describing the speed and sustainability of the company's business expansion, Kasmir (2019). Companies that exhibit consistent asset growth are generally perceived as having positive business prospects and competent management in capitalizing on market opportunities.

Whereas according to Santoso and Purnama (2020), sustainable asset growth reflects the company's ability to generate sufficient cash flow to finance its operational expansion, which ultimately correlates positively with increasing company value in the eyes of investors. Furthermore, Wijaya and Sedana (2021) argue that asset growth supported by improved asset utilization efficiency is a strong signal to the market that the company is capable of creating sustainable added value for shareholders.

The relationship between asset growth and stock prices has also been studied extensively in various market and industry sector contexts. Research conducted by Sujoko and Soebiantoro in Nugroho and Triyonowati (2021) shows that asset growth has a positive and significant effect on stock prices, because efficient asset expansion increases production capacity and potential company revenue in the future. Similar results were also presented by Dewi and Wirasedana (2018), who found that asset growth consistently increases the stock price of property companies on the IDX, driven by investor expectations of long-term property asset value appreciation.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Inconsistency in previous research results regarding the effect of DER and asset growth on stock prices creates a significant research gap requiring further investigation. The differences in research results are thought to be caused by differences in research objects, observation periods, analytical methodologies, and market conditions that vary across each study. For example, Ramadhani and Komalasari (2022) found results different from Hidayat and Topowijono (2018) regarding the direction of DER's effect, which is likely due to differences in industry samples and economic cycle conditions affecting investor risk tolerance.

PT Garuda Indonesia (Persero) Tbk is the Indonesian national airline (flag carrier) with state-owned enterprise (SOE) status. The company was established under Deed No. 137 dated March 31, 1950 from Notary Raden Kadiman, and ratified by the Minister of Justice of the Republic of Indonesia through Decree No. J.A.5/12/10 on the same date. As a leading full-service airline, Garuda Indonesia currently serves more than 90 destinations worldwide including various exotic locations in Indonesia, with flights reaching 600 per day. The airline is a member of the SkyTeam airline alliance and the only Indonesian airline operating to European airspace.

Table 1. The following is financial data of PT Garuda Indonesia Tbk, comprising Total Assets, Total Equity and Stock Price (in USD unless otherwise stated)

Year	Total Assets	Total Equity	Total Liabilities	Stock Price (IDR)
2014	3,100,815,978	903,938,603	2,234,000,000	555
2015	3,310,010,986	933,520,756	2,359,300,000	338
2016	3,737,569,390	992,805,948	2,727,700,000	500
2017	3,763,292,093	894,781,705	2,825,800,000	300
2018	4,371,659,686	863,385,232	3,515,700,000	244
2019	4,455,675,774	694,997,332	3,735,100,000	498
2020	10,789,980,407	(1,919,685,359)	12,733,000,000	274

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

2021	7,192,745,360	(6,072,342,272)	13,302,800,000	200
2022	6,235,010,979	(1,498,020,900)	7,770,100,000	204
2023	6,727,645,053	(1,247,379,312)	8,010,400,000	67
2024	6,618,614,941	(1,319,475,531)	7,970,500,000	44

Total Assets shows a fluctuating trend. Assets increased gradually from 2014 to 2019, then jumped drastically in 2020 to USD 10.78 billion, most likely due to liability restructuring and the impact of the COVID-19 pandemic. Thereafter, assets continued to decline through 2024 to USD 6.61 billion, reflecting a contraction in the company's business scale. Total Equity experienced a very alarming condition. Since 2020, the company's equity has been negative, meaning total liabilities have exceeded net total assets. This negative equity condition reached its worst point in 2021 at -USD 6.07 billion, and although it has gradually improved through 2024 (-USD 1.31 billion). Stock Price depicts a consistent and significant downward trend. From IDR 555 per share in 2014, the stock price continued to fall to only IDR 44 in 2024, down approximately 92% in one decade. The sharpest decline occurred after 2022, in line with the deteriorating fundamental financial condition of the company.

Debt was quite significant, rising from USD 2.234 billion in 2014 to USD 3.735 billion in 2019. This increase indicates the growing financing needs of the company to support its operations and business development. However, in 2020 to 2021 there was a very drastic surge in liabilities reaching USD 13.303 billion, influenced by the impact of the COVID-19 pandemic on the global aviation industry, causing the company to face massive financial pressure. Subsequently, in 2022 total liabilities decreased significantly to USD 7.770 billion as a result of the company's debt restructuring program. In the period 2023-2024, total liabilities remained relatively stable at around USD 8 billion

LITERATURE REVIEW

THEORETICAL FRAMEWORK

Signaling Theory

Signaling theory emphasizes the importance of company-related information needed by stakeholders. A company can increase its value by providing fair financial information to external parties, which can give a good signal to the company, because

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

external parties can know the prospects of the company in the future (Purnama & Rolanda, 2024).

Debt to Equity Ratio

Debt to Equity Ratio (DER) is the comparison between debt and equity, where a high DER indicates that the business capital used relies more on debt, which can cause a decline in the company's solvency level (Sirait et al., 2021). DER is also a ratio that can be used to measure the proportion of debt to equity (Hery, 2016), and serves to determine each rupiah of equity used as collateral for debt (Darmawan, 2020). This ratio is a major concern for investors because it reflects the level of financial risk of a company. A high DER may indicate that the company is unable to generate enough money to pay all its debt obligations, while a very low DER could be a sign that the company has not maximized its profits.

Asset Growth

Asset growth represents the availability of the company's internal funds; if the company succeeds in earning profits, sufficient internal funds are available for investment needs (Meidiawati & Mildawati, 2016). Asset growth is expressed by growth obtained from the difference in total assets from the previous year. In relation to stock prices, an increase in assets will be followed by an increase in operating results, which will ultimately increase profits; the higher the asset growth ratio of a company, the better the company's condition, and this can signal investors so that increased investor interest will drive stock prices higher (Ihwandi & Rizal, 2017).

Stock Price

Stock price is a price formed at the time of interaction between stock sellers and buyers, motivated by their respective desire to obtain a profit, so that information relating to stock price formation is very important for making decisions to sell or buy a stock (Nurmayanti Poppy, 2010). In signaling theory, companies that provide good financial information will differentiate themselves from companies without good news, and the relationship of signaling theory with stock prices can be seen from a company's financial statements if a company has good financial statements, it will show a positive profit level, thereby impacting an increase in stock prices. The stock price commonly used in research is the closing price at the end of the period.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Effect of Debt to Equity Ratio on Stock Price

Debt to Equity Ratio (DER) is the comparison between debt and equity, where a high DER indicates that the business capital used relies more on debt, which can cause a decline in the company's solvency level (Sirait et al., 2021). In relation to stock prices, if the DER value is large it shows that the company has large debt, so investor perception becomes negative and can impact a decline in the company's stock price. This condition is consistent with signaling theory, which states that information about a poor capital structure will be captured by investors as a negative signal in the stock market. The results of Yunus' (2021) research on state-owned banking companies listed on the Indonesia Stock Exchange for the period 2016-2020 show that there is a negative effect of Debt to Equity Ratio (DER) on stock prices. On the other hand, research on technology sub-sector companies listed on the Indonesia Stock Exchange for the period 2021-2024 showed different results, where DER was proven to have a positive and significant effect on stock prices. This difference in the direction of influence shows that the relationship of DER to stock prices is contextual, depending on industry characteristics, macroeconomic conditions, and investor perceptions of the company's debt risk level.

H1: Debt to Equity Ratio has an effect on Stock Price

Effect of Asset Growth on Stock Price

Asset growth represents the availability of the company's internal funds; if the company succeeds in earning profits, sufficient internal funds are available for investment needs (Meidiawati & Mildawati, 2016). Theoretically, high asset growth reflects healthy business expansion and becomes a positive signal for investors. The higher the asset growth ratio of a company, the better the company's condition, and this can signal investors so that increased investor interest will drive stock prices higher (Ihwandi & Rizal, 2017). This finding is reinforced by the research of Roza (2024) on building construction companies in Indonesia which shows that total assets have a positive and significant effect on stock prices, and simultaneously total assets and profit growth have a positive and significant effect on stock prices.

H2: Asset Growth has an effect on Stock Price

Effect of Debt to Equity Ratio and Asset Growth on Stock Price

This finding is reinforced by the research of Roza (2024) on building construction companies in Indonesia which shows that total assets have a positive and significant effect on stock prices, and research by Nurismalatri and Artika (2022) shows that Debt to

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Equity Ratio (DER) has no significant effect on stock prices of consumer goods companies listed on the Indonesia Stock Exchange.

H3: Debt to Equity Ratio and Asset Growth simultaneously affect Stock Price

DISCUSSION OF DATA ANALYSIS RESULTS

Classical Assumption Tests

Normality Test

Table 3. Kolmogorov-Smirnov Test

One-Sample Kolmogorov-Smirnov Test

			Unstandardized Residual
N			11
Normal Parameters[a,b]	Mean		.0000000
	Std. Deviation		102.69738096
Most Extreme Differences	Absolute		.104
	Positive		.104
	Negative		-.101
Test Statistic			.104
Asymp. Sig. (2-tailed)[c]			.200[d]
Monte Carlo Sig. (2-tailed)[e]	Sig.		.984
	99% Confidence Interval	Lower Bound	.980
		Upper Bound	.987

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.
e. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 2000000.

Source: SPSS Version 23 Output

Based on Table 3, the One-Sample Kolmogorov-Smirnov normality test shows that the *Debt to Equity Ratio* (X1), Asset Growth (X2), and Stock Price (Y) with a significance value of 0.987 > 0.05 meet the requirements for a normal distribution. This means the normality assumption is fulfilled.

Multicollinearity Test

Table 4. Multicollinearity Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	294.926	36.250		8.136	<.001		
	DER	29.662	7.990	.830	3.713	.006	.916	1.092
	Pertumbuhan Aset	111.146	84.509	.294	1.315	.225	.916	1.092

a. Dependent Variable: Harga Saham

Source: SPSS Version 23 Output

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Table 4 shows that the tolerance value of the *Debt to Equity Ratio* (X1), Asset Growth (X2), and Stock Price (Y) variables is greater than 0.10, which is 0.916, while the VIF value obtained for each variable is < 10, namely 1.092. Therefore, there is no multicollinearity between the independent variables in the regression model.

Heteroscedasticity Test

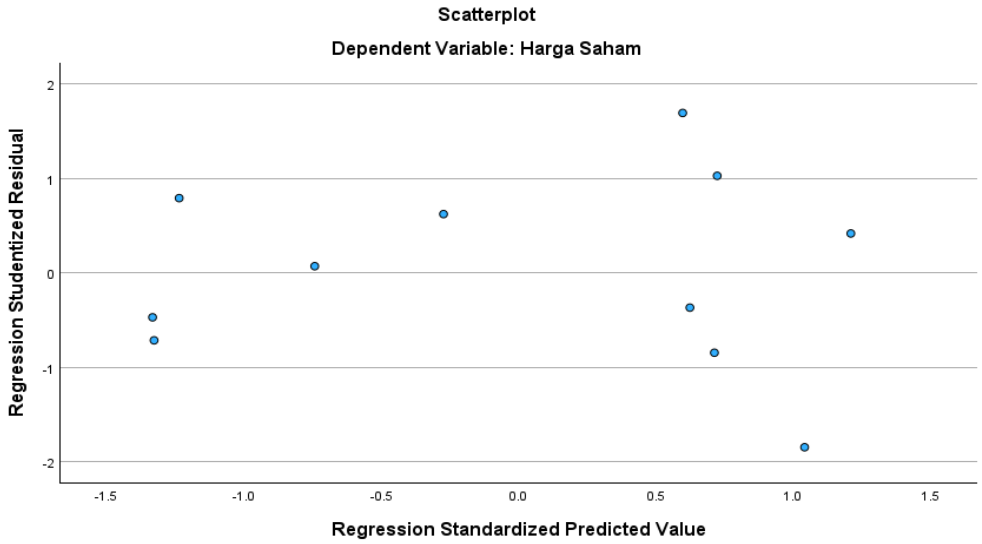


Figure 1. Heteroscedasticity Test
Source: SPSS Version 23 Output

Based on Figure 1, the scatterplot graph shows that the dots are scattered randomly above and below the number 0 on the Y axis and do not form any particular pattern. This indicates that there is no heteroscedasticity in the regression model, so the assumption of homoscedasticity has been fulfilled.

Autocorrelation Test

Table 5. Autocorrelation Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.796[a]	.634	.542	114.81916	1.852

a. Predictors: (Constant), Pertumbuhan Laba, DER
b. Dependent Variable: Harga Saham

Source: SPSS Version 23 Output

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Based on the Durbin-Watson test results, a DW value of 1.852 was obtained. With a sample size (n) of 10 and the number of independent variables (k) of 3, the values of dL = 0.525 and dU = 2.016 were obtained. The DW value falls in the interval dL < DW < dU (0.525 < 1.852 < 2.016), so the test result is in the inconclusive region. To address this, a runs test was performed as follows:

Table 6. Runs Test

Runs Test

	Unstandardized Residual
Test Value[a]	7.07563
Cases < Test Value	5
Cases >= Test Value	6
Total Cases	11
Number of Runs	6
Z	.000
Asymp. Sig. (2-tailed)	1.000

a. Median

Based on the Runs Test results, the Asymp. Sig. (2-tailed) value of 1.000 was obtained. This value is greater than the significance level of 0.05, so it can be concluded that the residuals occur randomly. Therefore, the regression model does not experience autocorrelation and has met the classical autocorrelation assumption, making the regression model suitable for further analysis.

Multiple Linear Regression Analysis

Based on Table 4, the results of the multiple linear regression analysis above show that the constant value is 294.926 (α value), the *Debt to Equity Ratio* coefficient (β) is 29.662, and the Asset Growth coefficient is 111.146. Therefore, the multiple linear regression equation is as follows:

$$Y = 294.926 + 29.662X1 + 111.146X2 + e$$

1. The constant value = 294.926 represents the value of Stock Price, assuming the independent variables, namely Debt to Equity Ratio and Asset Growth, are constant or zero.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

2. The DER coefficient has a positive effect on Stock Price of 29.662. This means that for every 1 unit increase in the *DER* variable, with other variables assumed constant, the Stock Price will increase by 29.662.
3. The Asset Growth coefficient has a positive effect on Stock Price of 111.146. This means that for every 1 unit increase in the Asset Growth variable, with other variables assumed constant, the Stock Price will increase by 111.146.

Correlation and Determination Coefficient

From Table 5 output, the correlation coefficient R value of 0.796 was obtained. This shows that the relationship between the independent variables, namely *Debt to Equity Ratio* and Asset Growth, with the dependent variable, namely Stock Price, has a strong relationship as it falls within the value range of 0.60–0.799.

From Table 5 above, the coefficient of determination value of 0.634 × 100% = 63.4% shows how far the model's ability is in explaining the dependent variable (Y), or in other words, how large the total influence of the independent variables is on the dependent variable. The output of this study shows that the coefficient of determination value is 63.4%, so it can be said that the total influence of the DER and Asset Growth variables in this study is 63.4%, while the remaining 36.6% is caused by other factors outside this study.

Hypothesis Testing

T-Test

Effect of Debt to Equity Ratio on Stock Price

Based on Table 4 above, the calculated t value for *Debt to Equity Ratio* is 3.713 > 2.447 and the sig. value is 0.006 < 0.05, so it can be concluded that *Debt to Equity Ratio* has a significant effect on Stock Price at PT Garuda Indonesia Tbk, H1 is accepted. This shows that the company's capital structure is one of the factors considered by investors in making investment decisions. The level of debt held by the company can affect investor perceptions of risk and company prospects, thereby impacting changes in stock prices in the market. The results of this study are consistent with research conducted by Sari and Suaryana (2013), Watung and Ilat (2016), and Yunus (2021), who found that Debt to Equity Ratio (DER) has a significant effect on stock prices of manufacturing companies listed on the Indonesia Stock Exchange. This is inconsistent with research conducted by Nurismalatri & Artika (2022) who found that Debt to Equity Ratio (DER) has no significant effect on stock prices, while Current Ratio has a significant effect.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Effect of Asset Growth on Stock Price

Based on Table 6 above, the calculated t value for Asset Growth is 1.315 < 2.447 and the sig. value is 0.225 > 0.05, so it can be concluded that Asset Growth does not have a significant effect on Stock Price at PT Garuda Indonesia Tbk, H2 is rejected. This shows that investors do not make asset growth a primary factor in investment decision-making. Although the company experiences an increase in assets, investors tend to pay more attention to other indicators such as profitability, cash flow, dividends, and prospects for future earnings growth. Thus, the magnitude of assets owned by the company does not necessarily increase investor confidence and drive stock price increases. The results of this study are consistent with research conducted by Safitri and Suwitho (2015), Prasetyo and Darmayanti (2019). This finding is reinforced by research by Roza (2024) on building construction companies in Indonesia, which shows that total assets have a positive and significant effect on stock prices, and simultaneously total assets and profit growth have a positive and significant effect on stock prices.

F-Test

Table 7. F-Test

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	182533.389	2	91266.694	6.923	.018[b]
	Residual	105467.521	8	13183.440		
	Total	288000.909	10			

a. Dependent Variable: Harga Saham

b. Predictors: (Constant), Pertumbuhan Aset, DER

Source: SPSS Version 23 Output

Based on Table 7 above, the calculated F value of 6.923 > F table 4.76 and the sig. value of 0.018 < 0.05 were obtained, so it can be concluded that *Debt to Equity Ratio* and Asset Growth simultaneously affect Stock Price at PT Garuda Indonesia Tbk, H3 is accepted. This finding indicates that investors consider the level of debt use and asset growth of the company in making investments. DER managed effectively can increase investor confidence because it shows the company's ability to utilize funding sources to improve performance. Furthermore, increasing asset growth reflects business expansion and potential revenue growth in the future. These conditions provide positive signals to the market, thereby increasing demand for shares and driving up the company's stock price. The results of this study are reinforced by research by Roza (2024) on building construction companies in Indonesia, which shows that total assets have a positive and

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

significant effect on stock prices, and research by Nurismalatri and Artika (2022) shows that Debt to Equity Ratio (DER) has no significant effect on stock prices of consumer goods companies listed on the Indonesia Stock Exchange.

RESEARCH CONCLUSIONS

Conclusions

Based on the results of the hypothesis testing that has been conducted, the conclusions of this study are:

1. *Debt to Equity Ratio* partially has a significant effect on Stock Price at PT Garuda Indonesia Tbk.
2. *Asset Growth* partially does not have a significant effect on Stock Price at PT Garuda Indonesia Tbk.
3. *Debt to Equity Ratio* and Asset Growth simultaneously have a significant effect on Stock Price at PT Garuda Indonesia Tbk.

Recommendations

Based on the results of the research conducted, the recommendations given are as follows:

1. For the Company

The results of this study indicate that the Solvency Ratio and Asset Growth are ratios that can be used to assess a company. Therefore, the company should always strive to increase its profit/earnings, which will have an impact on the value of the company.

2. For Future Researchers

Future research is expected to add other variables that affect company value that are not mentioned in this study. Furthermore, the sample and population, as well as the observation period, should be expanded, and different research methods from those in this study should be used so that the results obtained are more optimal.

REFERENCES

Anwar, S., & Masodah, A. (2021). The effect of Debt to Equity Ratio, Return on Equity, and Earning Per Share on stock prices of banking companies listed on the Indonesia Stock Exchange. Jurnal Ilmiah Manajemen dan Bisnis, 22(1), 45–58. https://doi.org/10.30596/jimb.v22i1.5631

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Astuti, R. P., & Gunawan, A. (2022). The effect of asset growth and profitability on company value with stock price as an intervening variable. Jurnal Akuntansi dan Keuangan, 11(2), 112–128. https://doi.org/10.33395/jak.v11i2.11524

Dewi, P. E. D. M., & Wirasedana, I. W. P. (2018). The effect of asset growth, profitability, and leverage on stock prices of property companies on the Indonesia Stock Exchange. E-Jurnal Akuntansi Universitas Udayana, 24(3), 1887–1915. https://doi.org/10.24843/EJA.2018.v24.i03.p10

Fahmi, I. R., & Sari, M. W. (2021). The role of the capital market in driving economic growth: A case study of the Indonesia Stock Exchange 2010–2020. Jurnal Ekonomi dan Pembangunan Indonesia, 21(2), 134–150. https://doi.org/10.21002/jepi.2021.08

Ghozali, I. (2021). Multivariate analysis application with IBM SPSS 26 program (10th ed.). Badan Penerbit Universitas Diponegoro.

Hartono, J. (2022). Portfolio theory and investment analysis (13th ed.). BPFE-Yogyakarta.

Hidayat, W. W., & Topowijono, T. (2018). The effect of Debt to Equity Ratio, Return on Equity, and Earning Per Share on stock prices of manufacturing companies on the IDX for the period 2013–2016. Jurnal Administrasi Bisnis, 60(2), 97–106.

Kurniawan, A., & Mawardi, W. (2020). Analysis of the effect of capital structure on company value with profitability as a moderating variable. Diponegoro Journal of Management.

Darmadji, T., & Fakhruddin, H. M. (2011). The capital market in Indonesia: A question and answer approach (3rd ed.). Salemba Empat.

Darmawan, A. (2020). Fundamentals of financial management. Pustaka Prima.

Hery. (2016). Financial statement analysis: Integrated and comprehensive edition. PT Grasindo.

Ihwandi, & Rizal, N. (2017). The effect of asset growth on company value through profitability. Jurnal Riset Manajemen dan Akuntansi, 5(1), 45–58.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. Journal of Financial Economics, 3(4), 305–360. https://doi.org/10.1016/0304-405X(76)90026-X

Kasmir. (2009). Financial statement analysis. PT RajaGrafindo Persada.

Meidiawati, K., & Mildawati, T. (2016). The effect of size, growth, profitability, capital structure, dividend policy on company value. Jurnal Ilmu dan Riset Akuntansi, 5(2), 1–16.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Prasetyo, A., & Darmayanti, N. P. A. (2019). The effect of asset growth, profitability, and dividend policy on stock prices of manufacturing companies on the Indonesia Stock Exchange. E-Jurnal Manajemen, 8(4), 2300–2328.

Ross, S. A. (1977). The determination of financial structure: The incentive-signalling approach. The Bell Journal of Economics, 8(1), 23–40. https://doi.org/10.2307/3003485

Roza, S., Ananda, R. P., & Nurhayati. (2024). Stock price growth seen from assets and profit growth of building construction companies in Indonesia. YUME: Journal of Management, 7(2). https://doi.org/10.37531/yume.vxix.xxx

Safitri, A., & Suwitho. (2015). The effect of firm size, asset growth, and profitability on stock prices. Jurnal Ilmu dan Riset Manajemen, 4(5), 1–17.

Suastini, N. M., Purbawangsa, I. B. A., & Rahyuda, H. (2016). The effect of managerial ownership and firm growth on company value of manufacturing companies on the Indonesia Stock Exchange. E-Jurnal Ekonomi dan Bisnis Universitas Udayana, 5(1), 143–172.

Sirait, P., Nasution, M., & Hidayat, R. (2021). Financial statement analysis (revised edition). Ekuilibria.

Simbolon, S., & Chandra, P. P. B. (2025). The effect of profitability, liquidity, sales growth, and asset growth on stock prices: An empirical study on food and beverage sub-sector companies listed on the IDX for the period 2021–2024. Global Accounting: Jurnal Akuntansi, 4(2). https://doi.org/10.54259/ga.v4i2.4065

Siregar, B. G. (2020). The effect of debt to equity ratio (DER) on stock prices with inflation as a moderating variable. Jurnal Penelitian Ekonomi Akuntansi (JENSI), 4(2), 114–124. https://doi.org/10.33059/jensi.v4i2.2736

Sugiyono. (2019). Quantitative, qualitative, and R&D research methods (2nd ed.). Alfabeta.

Yunus. (2021). The effect of debt to equity ratio and profitability ratio on stock prices of state-owned banks. Jurnal Inovatif Mahasiswa Manajemen, 2(1). https://doi.org/10.54209/jimen.v2i1.61

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.