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Analysis of the Influence of Current Ratio, Debt to Total Assets, Debt to Equity Ratio, Return on Assets, and Return on Equity on Stock Prices

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Abstract:

The aim of this research is to analyze the influence of Current Ratio, Debt to Total Assets, Debt to Equity Ratio, Return on Assets, and Return on Equity on Stock Prices in food and beverage companies listed on the Indonesia Stock Exchange during the period 2019-2022. This study utilizes secondary data with a population comprising 43 food and beverage companies listed on the Indonesia Stock Exchange for the observation years 2019-2022. The technique employed is purposive sampling with multiple linear regression analysis method. The results of this study indicate that, partially, Current Ratio, Debt to Total Assets, Debt to Equity Ratio, and Return on Assets do not significantly influence Stock Prices in food and beverage companies listed on the Indonesia Stock Exchange during the years 2019-2022. However, Return on Equity significantly influences the stock prices of food and beverage companies listed on the Indonesia Stock Exchange during the years 2019-2022.

Keywords: *Current Ratio; Debt to Total Assets; Debt to Equity Ratio; Return on Assets; Return on Equity; Stock Prices*

1. Introduction

The current business landscape development is one of the factors demanding companies to compete effectively in the modern era and support efficient company performance to achieve corporate goals (Wulan Riyadi, 2020). With the presence of the capital market through the Indonesia Stock Exchange, companies can obtain additional capital if they go public, enabling the public to invest in the shares of the issuing companies (Tumandung et al., 2017). Stock prices reflect the value of a company; if a company achieves good performance, its shares will be sought after by investors Samsu et al., (2013). One of the indicators of successful company management is its stock price. If a company's stock price increases, investors and potential investors will perceive that the company has succeeded in managing its business (Dharma et al., 2023)

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In reality, in the capital market, stock prices do not always increase. Stock prices can change at any time, and these changes are influenced by the supply and demand of stocks (Suryani, 2009). In the Indonesia Stock Exchange, the food and beverage sub-sector is also not immune to fluctuations.

Table 1. The Average Stock Price of Companies in the Food and Beverage Subsector for the Years 2019-2022

Subsector names	Average stock price (Rp)				Description
	2019	2020	2021	2022	
Food and Beverage Subsector	3.537	4.434	2.888	3.028	Fluctuations

Source: The IDX data was processed in 2024 (Sudianingsih, 2023)

From the table above, it can be observed that the average value of companies in the food and beverage consumer goods manufacturing sector fluctuated from 2019 to 2022. In 2019, the average stock price was 3,537. In 2020, it increased to 4,434. Subsequently, in 2021, there was a decrease in the average stock price to 2,888. Finally, in 2022, the average stock price increased again to 3,028 (Sudianingsih, 2023). The factors influencing the fluctuations in the company's stock prices are generally categorized into two: internal factors originating from within the company related to financial performance or fundamental factors, and external factors related to the country's economic conditions (Faleria et al., 2017).

From the phenomenon above, it can be concluded that the Indonesian Stock Exchange, especially the food and beverage sub-sector, experienced fluctuations during the years 2019-2022. Fluctuations in stock prices can lead to a decrease in investor confidence to invest or allocate capital With this phenomenon, the question arises: "What are the factors influencing(Susanto Salim, 2022). Stock prices, and what efforts do investors and potential investors make to determine whether a company is financially healthy or not?"

One of the most common analyses performed is financial ratio analysis. These financial ratios include Liquidity, Solvency, Profitability. Therefore, the researcher chose the variables Liquidity Ratio proxied by Current Ratio, solvency proxied by Debt to Total Assets and Debt to Equity Ratio, Profitability proxied by Return on Assets and Return on Equity.

According to Gitman and Zutter Anggun, (2022), the current ratio measures liquidity, calculated by dividing a company's current assets by its current liabilities. Therefore, the current ratio can indicate the extent to which current assets ensure the payment of current liabilities. The high or low current ratio of a company reflects its ability to pay its obligations, thus affecting investors' interest in investing their capital in the company (Priatna, 2016).

According to Hery (2018, p.190), solvency ratio or leverage ratio is a ratio used to measure the extent to which a company's assets are financed by debt. In other words, the solvency ratio is used to measure the magnitude of the debt burden that the company must bear in order to fulfill its assets. The Debt to Equity Ratio is a measure used in financial statement analysis to indicate the amount of collateral available to creditors (Dingkol, 2020).

In the realm of financial analysis, the measurement of return on assets serves as a pivotal gauge, indicating the overall efficacy of managerial operations in capitalizing on existing assets to generate profits (Wulandari et al., 2020 ; Petty Aprilia Sari, 2016). Similarly, the assessment of return on equity delineates a company's capacity to accrue profits available to its shareholders, a metric inherently intertwined with the magnitude of corporate indebtedness (Saputra, 2011).

The selection of the Current Ratio variable stems from the observed dearth of consensus within extant literature regarding its impact on stock prices. This lack of clarity is exemplified by divergent findings, as evidenced by studies such as Sari & Hidayat, (2022), which asserts a significant influence, juxtaposed against conflicting results from Sari & Triaryati, (2015), Samuel & Susanti, (2023) and Candra & Wardani, (2021), suggesting a negligible effect.

Similarly, the inclusion of the Debt to Total Assets Ratio variable stems from the disparate conclusions drawn in prior research, mirroring the ambiguity surrounding its impact on stock prices. Notably, while studies like Meythi et al., (2011) assert a significant association, others such as Latifah, (2020) and Nurul Aisah et al., (2023) present contradictory findings.

Likewise, the rationale behind incorporating the Debt to Equity Ratio variable is underpinned by the prevailing ambiguity within the literature regarding its influence on stock prices. While some studies, such as Faisal et al., (2018), I'niswatin et al., (2020), and Faidah & Wismar'ein, (2021), posit a significant impact, others like Afiezan et al., (2022) and Nabella et al., (2022) contradict these assertions.

Moreover, the selection of Return on Asset and Return on Equity variables stems from the inconclusive findings within prior research regarding their respective impacts on stock prices. While studies such as Novia Rahmawati, (2018) and Putra et al., (2022) assert significant associations for Return on Asset, others like Alfianti & Sonja, (2017) present contradictory evidence. Similarly, while studies such as Prayogo et al., (2021) and Firmansyah & Sinambela, (2021) affirm a significant influence for Return on Equity, Nordiana & Budiyanto, (2017) present dissenting findings.

Given the discordance evident in past research outcomes, this study endeavors to elucidate the effects of Current Ratio, Debt to Total Assets, Debt to Equity, Return on Asset, and Return on Equity on stock prices. Specifically, this research undertakes a

comprehensive examination by categorizing samples drawn from the population of companies within the food and beverage industry listed on the Indonesia Stock Exchange spanning from 2019 to 2022.

2. Theoretical Background

The market price, or stock price, is commonly understood as the valuation assigned to one share or common stock of a company traded in the stock market or exchange (Wulandari et al., 2020). Essentially, stock prices reflect the market's valuation or the price set by investors or traders to buy or sell the stock at a given moment. In simpler terms, fluctuations in stock prices correspond to changes in investor interest in that particular stock. When demand for a stock is high, its price tends to rise; conversely, when demand is low, its price typically decreases (Tresnasari, 2019).

Stock prices are a product of the interplay between supply and demand within the stock market (Gunawan et al., 2020). Throughout the trading day, stock prices can fluctuate based on trading activity and news that shape investors' perceptions of the concerned company (Nofriyanti & Rahmi, 2022). In most stock markets, these prices change continuously during trading hours, serving as a crucial indicator of a company's value within the market (Mulyanto & Andriyani, 2022). An increase in stock prices often signifies a rise in the company's value or heightened investor interest, while a decrease may indicate uncertainty or a decline in value.

Irhan Fahmi (2011, P2) defines financial performance as an analysis aimed at assessing a company's adherence to financial regulations and its management's effectiveness in overseeing the company's assets over a specified period (Ilmiyono, 2017). Furthermore, according to Lyn M. Fraser and Aileen Ormiston, translated by Sam Setyautama (2008, P11), the quality of financial reporting ideally reflects an accurate portrayal of a company's financial condition and performance (Irawati, 2019). This portrayal is based on meticulous preparation of financial statements using relevant data and adhering to sound accounting and valuation practices to provide a comprehensive view of the company's financial standing (Gusherinsya & Samukri, 2020).

Analyzing financial statements requires meticulous attention and the employment of appropriate methods and techniques to facilitate informed decision-making (Rahmi et al., 2021). The insights derived from assessing a company's financial performance are invaluable to stakeholders such as investors, creditors, analysts, financial consultants, brokers, governmental bodies, and the company's management itself (Irawati et al., 2019). As emphasized by Harahap (2011, P190), financial statement analysis entails dissecting financial statement items into smaller units of information and scrutinizing their significant quantitative and non-quantitative relationships or meanings to gain deeper insights into the company's financial health (Akbar Fadhilah & Warsitasari, 2023).

Financial ratios serve as analytical instruments to evaluate a business's financial performance, encompassing liquidity, profitability, debt to solvency, activity, and stock price ratios (Gunawan et al., 2020). Liquidity ratios, for instance, gauge a company's ability to meet short-term obligations and manage cash flow, with the current ratio being a prominent example (Gunawan et al., 2020). Meanwhile, profitability ratios offer an overview of management's efficacy in generating profits, reflecting on the company's sales activities, assets, and equity (Warsitasari et al., 2023; Priatna, n.d.). Return On Assets (ROA), a profitability ratio, quantifies how efficiently a company utilizes its assets to generate profits, indicating the percentage of net income generated per unit of total assets owned.

Solvency ratios, on the other hand, assess the extent to which a company relies on debt and its capacity to fulfill long-term obligations. High solvency indicates a heavy reliance on debt, potentially affecting stock prices due to increased interest payments and reduced profitability (Candra, 2021). Debt to Equity Ratio (DER) and Debt to Total Assets (DTA) are two significant metrics in this regard, measuring the balance between a company's debt and equity and the influence of debt on asset management, respectively (Kusumawati, 2018; Kasmir, 2014). Notably, a higher Debt to Total Assets ratio typically correlates with lower stock prices, as the continuous increase in interest payments diminishes profitability.

3. Methodology

This type of research employs quantitative research using data obtained from secondary sources, utilizing numbers for the measurement of each independent and dependent variable. The quantitative method is a comparative causal approach in the characteristics of the problem regarding the cause-and-effect relationship between two or more variables in the research.

The sample in this study consists of Food and Beverage companies listed on the Indonesia Stock Exchange for the period 2019-2022. The sampling technique used in this research employs non-probability sampling, specifically the purposive sampling technique. The population in this study comprises 43 Food and Beverage companies listed on the Indonesia Stock Exchange for the period 2019-2022. Data were obtained through the official website of the Indonesia Stock Exchange accessed via https://www.idx.co.id/id, https://britama.com/, the official websites of the companies, and https://finance.yahoo.com/.

One of the main reasons for choosing this sector is because of its high relevance to community needs and its significant contribution to the economy. For example, the food and beverage sector has a direct impact on people's health and consumption patterns, and tends to be stable in various economic conditions. Apart from that, the growth of the food and beverage industry can also be an important indicator of overall economic conditions. The sample in this study consists of Food and Beverage companies listed on the Indonesia Stock Exchange for the period 2019-2022.

Sampling is conducted using purposive sampling technique, which involves selecting samples based on specific considerations. The sample selection criteria include: Food and Beverage companies listed on the Indonesia Stock Exchange during the period 2019-2022, Food and Beverage companies that have consistently presented financial reports for the period 2019-2022, Companies that did not incur losses during the research period, and Food and Beverage companies with complete financial data as required by the researcher.

Operational definitions serve to assess the significance of the variables used in this research and also facilitate understanding when discussing this study. The operational definitions in this study are explanations regarding the analysis of the company's stock price measured using Current Ratio (CR), Debt to Total Assets (DTA), Debt to Equity Ratio (DER), Return on Assets (ROA), and Return on Equity (ROE).

This study employs multiple linear regression analysis with the basic equation:
$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5$
Description :
Y : Stock Price
α : Equation Constant
$\beta_1 X_1$: Regression Coefficient of predictor CR
$\beta_2 X_2$: Regression Coefficient of predictor DTA
$\beta_3 X_3$: Regression Coefficient of predictor DER
$\beta_4 X_4$: Regression Coefficient of predictor ROA
$\beta_5 X_5$: Regression Coefficient of predictor ROE

4. Empirical Findings/Result

The results of the sample selection based on the predetermined criteria can be seen in the Table:

Table 2. Sampling Data

Criteria	Amount
The total number of Food and Beverage companies listed on the Indonesia Stock Exchange (2019-2022).	43
Companies that incurred losses during the research period Companies that did not consistently issue financial reports (2019-2022) Companies lacking completeness of financial data as required by the researcher	(15)
The samples that meet the criteria	28
Total of 28 studies multiplied by 4	112

The sample selection using purposive sampling technique resulted in a total of 112 samples, comprising 43 Food and Beverage companies listed on the IDX, minus the total eliminated companies of 15, resulting in a total of 28 companies studied over a

period of 4 years. Therefore, the total sample size of this research is 28 companies multiplied by 4 years, resulting in 112 samples.

Descriptive statistical measurements of these variables need to be conducted to examine the overall picture of the data, such as the mean (Mean), maximum (Max), minimum (Min), and standard deviation of each variable, namely Current Ratio (X1), Debt to Total Assets (X2), Debt to Equity Ratio (X3), Return on Asset (ROA), Return on Equity (ROE), and Stock Price (Y).

Table 3. Results of Descriptive Statistical Analysis

Variable	N	Minimum	Maximum	Mean	Std. Dev
CR	112	0,732	17,784	3,156	2,901
DTA	112	0,098	1,000	0,395	0,186
DER	112	0,109	2,645	0,800	0,613
ROA	112	0,000	0,416	0,093	0,070
ROE	112	0,000	1,052	0,153	0,137
HS	112	99,000	15500,000	3137,875	3559,272

Source: Data Processing Results, 2024

Based on the results of the Descriptive Test above, we can describe the data distribution obtained by the researchers as follows: For the Current Ratio variable (X1), the minimum value is 0.732, while the maximum value is 17.784. The average value is 3.156, and the standard deviation of the Current Ratio data is 2.901. For the Debt to Total Assets variable (X2), the minimum value is 0.098, while the maximum value is 1.000. The average value is 0.395, and the standard deviation of the Debt to Total Assets data is 0.186. For the Debt to Equity Ratio variable (X3), the minimum value is 0.109, while the maximum value is 2.645. The average value is 0.800, and the standard deviation of the Debt to Equity Ratio data is 0.613. For the Return on Asset variable (X4), the minimum value is 0.000, while the maximum value is 0.416. The average value is 0.093, and the standard deviation of the Return on Asset data is 0.070. For the Return on Asset variable (X5), the minimum value is 0.000, while the maximum value is 1.052. The average value is 0.153, and the standard deviation of the Return on Asset data is 0.137. For the Stock Price variable (Y), the minimum value is 99.00, while the maximum value is 15500.00. The average value is 3137.8750, and the standard deviation of the Stock Price data is 3559.27281.

The results of the Classical Assumption Test

The normality test is a prerequisite for data analysis, meaning that before conducting statistical analysis to test hypotheses, in this case, regression analysis, the research data must follow a normal distribution. Normality testing is performed using the Kolmogorov-Smirnov Normality Test. The result of the normality test shows an Asymp. Sig. (2-tailed) value of 0.171, which is greater than the significance value of 0.05. Thus, the data are normally distributed.

The decision-making basis involves reviewing the Tolerance and VIF values. If the

tolerance value is greater than 0.1, then multicollinearity does not occur, and vice versa. Similarly, if the VIF value is less than 10, then multicollinearity does not occur, and vice versa. In the multicollinearity test, the tolerance value for all variables is greater than 0.1, and the VIF value is less than 10. Therefore, it can be concluded that multicollinearity does not occur in the regression model.

A good model should ideally not exhibit symptoms of heteroscedasticity. Testing is conducted using the Breusch-Pagan Godfrey (BPG) test approach because the data used in this study are panel data. If the significance value is greater than 0.05, then heteroscedasticity does not occur, and vice versa. In this test, the significance values for each variable are greater than 0.05. Therefore, it can be concluded that there is no heteroscedasticity in this model.

By using the Durbin-Watson test as a detector of autocorrelation, if the Durbin-Watson statistic is below -2, positive autocorrelation is present. If the Durbin-Watson statistic falls between -2 and 2, there is no autocorrelation. If the Durbin-Watson statistic is above +2, negative autocorrelation is indicated. In this test, the Durbin-Watson value obtained is 1.966 (-2 > 1.966 > 2), so it can be concluded that there is no autocorrelation present in this test.

The results of Hypothesis Testing

Multiple linear regression analysis conducted using SPSS 23 program resulted in data as shown in Table 4:

Table 4. Regression Analysis Results

Model	Coeff.	t	Sig
(Constant)	2335,370	1,844	0,068
CR	-145,669	-1,136	0,259
DTA	643,797	0,148	0,885
DER	-868,907	-0,603	0,548
ROA	-4063,156	-0,418	0,677
ROE	13620,861	2,799	0,006
F	6,052		,000[b]
Adjusted R square		0,185	

Source : Data processing, 2024

Based on the table, the regression equation can be formulated:

Y = 2335,370 - 145,669 + 643,797 – 868,907 - 4063,156 + 13620,861

Based on the obtained regression equation model, it is known that the constant value is 2335.370. This means that if the variable X has a value of zero, then the variable Y will have a value of 2335.370. The coefficient value of X1 is 145.669. This implies that if X1 increases by one unit, the performance variable Y increases by 145.669 units. A negative coefficient value indicates a negative (inverse) relationship between the X1 and Y variables. The coefficient value of X2 is 643.797. This means that if X2 increases by one

unit, the performance variable Y increases by 643.797 units. A positive coefficient value indicates a positive (direct) relationship between the X2 and Y variables. The coefficient value of X3 is 868.907. This means that if X3 increases by one unit, the performance variable Y increases by 868.907 units. A negative coefficient value indicates a negative (inverse) relationship between the X3 and Y variables. The coefficient value of X4 is 4063.156. This means that if X4 increases by one unit, the performance variable Y increases by 4062.156 units. A negative coefficient value indicates a negative (inverse) relationship between the X4 and Y variables. The coefficient value of X5 is 13620.861. This means that if X5 increases by one unit, the performance variable Y increases by 13620.861 units. A positive coefficient value indicates a positive (direct) relationship between the X5 and Y variables.

The Simultaneous Test is conducted to determine whether there is a significant influence or not between independent variables on the dependent variable simultaneously or together. If the significance value < 0.05, then H0 is rejected, and H1 is accepted, it can be concluded that independent variables simultaneously have a significant effect on the dependent variable. If the significance value > 0.05, then H0 is accepted, and H1 is rejected. In the test, the significance value obtained is 0.000, thus it can be concluded that the independent variables (X1, X2, X3, X4, and X5) simultaneously have a significant effect on the dependent variable (Y).

The Coefficient of Determination (R2) is used to measure how well the model explains the dependent variable. In this study, the value used is Adjusted R-square, which ranges between zero and one. The smaller the adjusted R-square value approaches 0, the more limited the ability of independent variables to explain the dependent variable. If the value approaches 1, then the independent variables provide almost all the information needed regarding the dependent variable. In this test, the R-square value is 0.222, which is within the range between 0 and 1. This means that the model can explain the dependent variable to the extent of 22.2%. The remaining portion is influenced by other factors.

The t-test is used to determine the contribution of each independent variable in explaining the dependent variable. If the significance value is < 0.05, then H0 is rejected, and H1 is accepted, indicating a significant effect on the dependent variable. If the significance value is > 0.05, then H0 is accepted, and H1 is rejected, indicating no significant effect on the dependent variable. In this test, the significance values obtained for each variable X1 to Y are respectively 0.259 for X1, 0.885 for X2, 0.548 for X3, 0.677 for X4, and 0.006 for X5. It can be concluded that variables X1 (CR), X2 (DTA), X3 (DER), and X4 (ROA) do not have a significant effect on variable Y (Stock Price), while variable X5 (ROE) has a significant effect on variable Y (Stock Price).

5. Discussion

The Influence of Current Ratio on Stock Price
The research findings suggest that the Current Ratio does not wield a significant influence on the stock prices of food and beverage companies listed on the Indonesia Stock Exchange (BEI) from 2019 to 2022. Despite expectations based on prior studies such as those by Reskya et al. (2021) and Rahmi et al. (2021), which suggested a significant impact of the Current Ratio on stock prices, our findings deviate. This non-significant relationship prompts a deeper exploration into potential reasons for this inconsistency.

Traditionally, the Current Ratio serves as a vital indicator for investors, offering insight into a company's ability to fulfill its short-term obligations using current assets. However, in the contemporary corporate landscape, investors seem to downplay the importance of the Current Ratio in their decision-making processes. Instead, they favor alternative fundamental analyses. Consequently, despite its theoretical significance, the Current Ratio fails to translate into tangible stock price increases as anticipated. This observation underscores the need for a nuanced understanding of investor behavior and market dynamics. Exploring why investors disregard the Current Ratio in favor of other metrics could provide valuable insights into evolving investment practices and the changing significance of financial ratios in the determination of stock prices.

The Influence of Debt to Total Assets on Stock Prices
The research findings indicate that Debt to Total Assets does not have a significant influence on the stock prices of food and beverage companies listed on the Indonesia Stock Exchange (BEI) from 2019 to 2022. Despite expectations based on previous literature, these results do not align with the findings of Andhani (2019) and Wangdra (2019), which similarly demonstrated that Debt to Total Assets does not affect stock prices. It is noteworthy to discuss the implications of these nonsignificant findings, as they suggest that the relationship between Debt to Total Assets and stock prices in the context of food and beverage companies may be more nuanced than previously assumed.

One possible explanation could be the specific characteristics of the companies studied, such as their operational structures or market dynamics, which may mitigate the impact of debt levels on stock prices. Additionally, considering the rise in interest expenses associated with larger debts, it is expected that stock prices would diminish with increasing Debt to Total Assets ratios. However, the absence of such a relationship suggests potential complexities in the interplay between debt financing and stock valuation within this industry. Further exploration into these inconsistencies could offer valuable insights into the financial dynamics of food and beverage companies and contribute to refining theoretical frameworks in corporate finance.

The Influence of Debt to Equity Ratio on Stock Prices

The research findings suggest that the Debt to Equity Ratio does not exert a significant influence on the stock prices of food and beverage companies listed on the Indonesia Stock Exchange (BEI) from 2019 to 2022. These results align with previous studies conducted by Rosadi (2019) and Dingkol et al. (2020), which similarly found no substantial impact of the Debt to Equity Ratio on stock prices. Despite its importance in reflecting a company's ability to manage its debts, both short-term and long-term, the Debt to Equity Ratio alone may not suffice as a reliable indicator for predicting stock price fluctuations. This lack of significant association prompts further consideration of potential factors contributing to the observed results, such as market dynamics, industry-specific conditions, or methodological differences across studies. By acknowledging these findings and their implications, future research can delve deeper into understanding the multifaceted relationship between financial metrics like the Debt to Equity Ratio and stock prices within the context of food and beverage companies.

The Influence of Return on Assets on Stock Prices

The research findings reveal that Return on Assets (ROA) does not wield a significant influence on the stock prices of food and beverage companies listed on the Indonesia Stock Exchange (BEI) from 2019 to 2022. These results align with the study conducted by Fajar Ilmiyono (2017), which similarly concluded that ROA does not affect stock prices. Theoretically, and as evidenced by prior research, an increase in the ROA variable typically correlates with a rise in stock prices, and conversely, a decrease in ROA tends to depress stock prices. This conventional understanding implies that a higher ROA signifies a company's enhanced efficiency in generating profits utilizing its assets, rendering ROA a pivotal factor for investors in selecting company stocks. However, within this context, ROA fails to contribute to stock price increases as anticipated. Further examination is warranted to elucidate the underlying reasons for this deviation from the expected relationship between ROA and stock prices, potentially shedding light on unique industry dynamics or market conditions specific to the food and beverage sector on the Indonesia Stock Exchange.

The Influence of Return on Equity on Stock Prices

The research findings suggest that Return on Equity significantly influences the stock prices of food and beverage companies listed on the Indonesia Stock Exchange (BEI) from 2019 to 2022. While these results align with prior studies by Nordiana (2017) and Kusumadewi (2018), which similarly found a relationship between Return on Equity and stock prices, it's essential to delve deeper into the implications of nonsignificant findings and potential reasons for any inconsistencies with previous research. A more comprehensive comparative analysis could explore variations in methodologies, sample characteristics, and contextual factors that may contribute to the observed results. Return on Equity, as a metric used to gauge the return provided by a company for each unit of its owner's equity, underscores the importance for financial managers to aim for optimal performance in generating profits, thereby potentially influencing stock prices.

6. Conclusion

This research investigates the impact of Current Ratio, Debt to Total Assets, Debt to Equity Ratio, Return on Assets, and Return on Equity on the stock prices of food and beverage companies listed on the Indonesia Stock Exchange (IDX) from 2019 to 2022. The findings reveal that while Current Ratio, Debt to Total Assets, Debt to Equity Ratio, and Return on Assets lack significant influence on stock prices within this sector over the specified timeframe, Return on Equity emerges as a significant determinant. Nevertheless, this study is not without limitations. Firstly, it focuses solely on the food and beverage subsector of the IDX during the period of 2019-2022. Secondly, the absence of financial data for the most recent period, 2023, due to the study's completion in early 2024, presents a constraint. To fortify this research, further exploration is warranted into the practical implications for investors, companies, and policymakers. Additionally, identifying avenues for future research, informed by the limitations encountered, could enrich the field's understanding and application.

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