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Determinants of Stock Returns: The Role of Profitability, Valuation Ratios, and Firm Size in the Jakarta Islamic Index (2016–2020)

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ABSTRACT
This study aims to determine the effect of Return on Assets, Net Profit Margin, Price-Earnings Ratio, Earnings Per Share, and Company Size on the Jakarta Islamic Index Stock Return for the period 2016–2020. The object of this research is a company listed in the Jakarta Islamic Index from 2016 to 2020. The population in this study is 30 companies. The sampling technique used was Purposive Sampling, and a sample of 29 companies was obtained. The data analysis technique used was multiple linear regression, utilising SmartPLS 3.0, because the research data were not normally distributed when analysed in SPSS. The results of this study indicate that the variables of Return on Assets, Net Profit Margin, Price-Earnings Ratio, Earnings Per Share, and Company Size have no significant effect on the stock returns of the Jakarta Islamic Index for the period 2016–2020.

Keywords: *Return on Asset, Net Profit Margin, Price Earnings Ratio, Earnings Per Share, Company Size, Stock Return*

1. Introduction

Investors who will invest in the capital market first look at which shares of the company are the most profitable, by assessing the performance of the company in question (Kumala & Ahya, 2020). The way investors assess the good performance of a company is by analyzing how the company's management can manage the company's assets as best as possible to obtain profits that will affect its stock returns, as the market's response to the company's good performance. (Yes & Aliamin, 2018). Companies that have good performance will be grouped into several indices listed on the Indonesia Stock Exchange (IDX). Currently, the IDX has 38 stock indices, one of which is the Jakarta Islamic Index (JII).

Stock price movements for the Jakarta Composite Stock Price Index (JCI), Kompas 100, LQ45 and Jakarta Islamic Index (JII) for the 2016-2020 period tend to fluctuate. The movement of the Composite Stock Price Index (JCI), Kompas 100 and LQ45 experienced significant movements. The three indices increased from 2016 to 2019 and decreased in 2020. Meanwhile, in the Jakarta Islamic Index (JII), in 2016, there was an increase in stock prices, then a decrease from 2017 to 2020. In 2018 to 2019, the Jakarta Islamic Index (JII) chart did not follow the movement of JCI, Kompas 100 and LQ45, which had an upward movement, but the JII itself had a downward movement.

Stock price movements for the Jakarta Composite Stock Price Index (JCI) and Jakarta Islamic Index (JII) for the 2016-2020 period tend to fluctuate. The movement of the Jakarta Composite Stock Price Index (JCI) increased from 2016 to 2019 and decreased in 2020. Meanwhile, the Jakarta Islamic Index (JII) in 2016 showed an increase in stock prices, then a decrease from 2017 to 2020.

The transaction value for the Jakarta Composite Stock Price Index (JCI), Kompas 100, LQ45 and Jakarta Islamic Index (JII) for the period 2016-2020 tends to fluctuate. The transaction value of JCI and Kompas 100 had the same movement from 2016 to 2017,

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experiencing an increase in transaction value, while from 2017 to 2018 it decreased and increased from 2018 to 2020. Meanwhile, the LQ45 and JII indices have the same movement. The only difference is that from 2016 to 2017, the LQ45 experienced an increase, and the JII decreased.

So, it can be concluded that the movement of the JCI and Kompas 100 indices is in line with the movement of transaction values in 2016 – 2020. Meanwhile, LQ45 and JII have index movements that are not in line with the development of transaction values in 2016 – 2020. Although LQ45 and JII have the same movement, JII is still below LQ45. JII has companies that meet certain criteria and has fewer companies compared to the LQ45. JII is still below LQ45, which is assessed from the movement of the index and transaction value in 2016 – 2020.

Even though these indices have been listed on the IDX and contain companies that have good performance, they do not guarantee that the index will have good movements and a high transaction value. Good performance measurement can be done with the level of return generated by the company. (Kumala & Ahya, 2020).

The measure of the success of a company's performance is the company's ability to make a profit that which will affect its stock return as a market response to the company's good performance. The main condition that investors expect to be willing to invest in a company is the level of return that will be obtained. A company's stock return is important because it provides information on the company's performance and a positive signal for investors (Yes & Aliamin, 2018).

Stock return is the result obtained from investments made by investors. Return is an important motivation and principle in investing, as well as the key that allows investors to decide on their alternative investment options. Returns can be obtained in two forms, namely dividends and capital gains (an increase in the selling price of shares above the purchase price), so investors will choose which company shares will provide high returns.Susanty & Bastian, 2018). An investor does various ways to get the desired return, one of which is by analysing the financial ratios on the trading behaviour of a stock. There are various types of financial ratios used according to certain needs, including the profitability ratio and the market ratio. (Mayuni & Suarjaya, 2018).

The profitability ratio assesses a company's ability to generate profit. This ratio can also provide a measure of the level of management effectiveness of a company. This is shown by the profit generated from sales and investment income. The essence of using this ratio is to show the efficiency of the company. The various profitability ratios are Net Profit Margin (NPM), Gross Profit Margin (GPM), Return on Assets (ROA) and Return on Equity (ROE). This study uses a profitability ratio, namely the ratio of Return On Asset (ROA) and Net Profit Margin (NPM) (Aryaningsih, Y. N., Fathoni, A., & Harini, C., 2018).

Return on Assets (ROA) is a measure of a company's management in managing its investments. The company's total assets can help increase stock returns, but in this case, if the management cannot use the total assets properly, it cannot increase the expected stock return. (Putra, F. E. P. E., Kindangen, P., 2016). If the company can generate high profits, then the demand for shares will increase and this will have an impact on the increase in the company's stock price. When the stock price increases, the stock return will also increase (Parawansa et al., 2019).

Research by Putra, F. E. P. E., Kindangen, P. (2016), Sole (2020), Liuspita & Widjaja (2021) and Mayuni & Suarjaya (2018) shows that ROA results have a positive and significant effect on stock returns. However, in contrast to research by Parawansa et al. (2019), the results of ROA have a significant negative effect on stock returns. Meanwhile, research by Saraswati et al. (2020) shows that the results of ROA do not have a significant effect on stock returns.

Net Profit Margin (NPM) is the ratio of the amount of net profit after tax to sales made by the company. The higher the Net Profit Margin ratio, the more productive a company is, so

that the company is considered able to earn profits and be able to provide satisfactory investment results for investors (Ginting & Erward, 2013).

Research by Putra, F. E. P. E., Kindangen, P. (2016) and Liuspita & Widjaja (2021) shows that NPM results have a significant negative effect on stock returns. However, in contrast to research by Ginting & Erward (2013), the NPM results do not have a significant effect on stock returns.

In addition to the use of profitability ratios, market ratios are also used in financial ratio analysis. The market ratio is the ratio that connects stock earnings and book earnings per share. This ratio aims to provide a guide for investors to make investment decisions based on the company's past performance and prospects. The types of market ratios are Earnings Per Share (EPS), Price Earnings Ratio (PER) and Price to Book Value (PBV) (Aryaningsih, Y. N., Fathoni, A., & Harini, C. 2018). The market ratios used in this study are Price Earnings Ratio (PER) and Earnings Per Share (EPS).

Price Earnings Ratio (PER) is considered by investors to be a measure of a company's ability to predict future profits. Investors can consider this ratio to determine which stocks can provide large profits in the future, considering if the company has high growth (Ningsih et al., 2016). Another benefit of the Price Earnings Ratio (PER) is to see how the market values the performance of a company's stock against the company's performance as reflected by the company's Earnings Per Share (EPS). PER is said to be important because the amount of profit generated by the company will actually reflect the amount of dividends that the company will be able to pay later (Lestari, 2012).

Research by Saraswati et al. (2020) and Mayuni & Suarjaya (2018) shows that PER results have a significant positive effect on stock returns. However, in contrast to research by Ginting & Erward (2013), The PER result does not affect stock returns.

Earnings Per Share (EPS) is a ratio that shows how much profit (return) is earned by investors or shareholders per outstanding share during a period. (Munggaran et al., 2017). An increase in EPS means a better level of well-being for shareholders and will have a positive impact on the increase in the share price, while low EPS means the company is less able to provide the benefits expected by shareholders. The more the company can provide good welfare for shareholders, it can be said that the value of its shares is also. A high stock value shows that the stock price is also high (Putra, F. E. P. E., Kindangen, P., 2016).

Research by Ya & Aliamin (2018), Saraswati et al. (2020) and Mayuni & Suarjaya (2018) shows that EPS results have a positive and significant effect on stock returns. However, it is different from research by Putra, F. E. P. E., Kindangen, P. (2016) and Liuspita & Widjaja (2021) showed that EPS results did not have a significant effect on stock returns.

In addition to using financial ratio analysis, investors need to know the size or size of the company as a guarantee that the shares to be purchased are safe from the company's bankruptcy. The size of the company describes the size of the company that will influence the investor's decision to invest in the company. The size of a company can be determined based on capital, total assets, and total sales of the company at the end of the year (Cynthia & Salim, 2020).

Research by Ya & Aliamin (2018) shows that the results of company size have a positive and significant effect on stock returns. However, research by Parawansa et al. (2019) shows that the results of company size have a negative effect on stock returns. Meanwhile, research by Sole (2020) and Mayuni & Suarjaya (2018) shows that the results of company size do not affect stock returns.

The purpose of this study is to research and analyze whether Return on Assets (ROA), Net Profit Margin (NPM), Price Earnings Ratio (PER), Earnings Per Share (EPS), and Company Size affect the Stock Return of the Jakarta Islamic Index (JII) for the period 2016 – 2020.

2. Literature Review

Return On Asset (ROA)

Return on Assets is a ratio that aims to assess the level of contribution of assets in generating net profit. This ratio is calculated by comparing net profit to total assets. The greater the rate of return on assets, the greater the amount of net profit generated (Sari, 2020).

$$Return\ On\ Assets\ (\text{ROA}) = \frac{\text{Earning After Tax}}{\text{Total Assets}}$$

Net Profit Margin (NPM)

Net Profit Margin is a ratio that aims to measure the high percentage of net profit on net sales. This ratio is used to calculate net profit to net sales. The greater the Net Profit Margin, the more productive the company's performance, which will increase investor confidence to invest their capital in the company. This ratio shows how much of the net profit is earned from each sale. The greater this ratio, the better the company's ability to get high profits (Pauziantara, I. I., Economy, F., Galuh, U., & Share, E. P. 2020).

$$Net\ Profit\ Margin\ (\text{NPM}) = \frac{\text{Earning After Tax}}{Net\ Sales}$$

Price Earnings Ratio (PER)

Price Earnings Ratio (PER) is a comparison between a company's stock price and the Earnings Per Share in stocks. PER is a function of changes in expected profit ability in the future. The larger the PER, the greater the likelihood of the company growing, so that it can increase the company's value (Sodikin, S., & Wuldani, N. 2016).

$$Price\ Earning\ Ratio\ (\text{PER}) = \frac{\text{Stock Price}}{Earning\ Per\ Share\ (\text{EPS}}$$

Earning Per Share (EPS)

Earnings Per Share (EPS) is the ratio of earnings per share, which is a ratio to show the amount of money made from a single share. If the value of EPS is larger, it shows that the greater the profit received by shareholders. Investors who buy and maintain shares in a company in the hope of getting dividends or capital gains (Septiana, F. R. 2019).

$$Earning\ Per\ Share\ (\text{EPS}) = \frac{\text{Earning After Tax}}{\text{Outstanding Stocks}}$$

Company Size

Company size is the size of a company, which is divided into three categories, namely large firm, medium-sized firm, and small firm. The three categories of company size are one of the benchmarks for an investor. The size of the company can also determine the level of ease with which the company obtains funds from the capital market. This convenience is good information for investment decision-makers and can reflect the company's value in the future (Ernawati, 2016). For this research, research was carried out through total assets. Total assets are chosen as a calculation of company size by considering that the value of assets is relatively more stable compared to the value of market capitalisation and sales (Asrini, E. D. 2020).

$$Firm\ Size = Ln\ (Total\ Assets)$$

Relationships Between Variables and Hypothesis

The Effect of ROA on Stock Returns

Return On Assets (ROA) is a ratio that describes the level of profit earned by the company with the level of investment invested. ROA is used to describe the extent to which

the company's assets can generate profits. The higher the ROA value means the better the company is at using its assets to earn profits. With the increase in the value of the company's ROA, it will have an impact on the return on shares obtained by investors will be greater as well. This makes investors interested in buying company shares and has an impact on the increasing stock prices and returns (Sari, 2020).

Research by Putra, F. E. P. E., Kindangen, P. (2016), Sole (2020), Liuspita & Widjaja (2021) and Mayuni & Suarjaya (2018) shows that ROA results have a positive and significant effect on stock returns. However, in contrast to research by Parawansa et al. (2019), the results of ROA have a significant negative effect on stock returns. Meanwhile, research by Saraswati et al. (2020) shows that the results of ROA do not have a significant effect on stock returns.

H1: Return on Assets (ROA) has a significant positive effect on stock returns

The Effect of NPM on Stock Returns

Investor interest in high NPM will push demand for a stock to increase, so the stock price will also rise. The increased NPM value reflects the company's better performance, and the profits obtained by shareholders will also increase. So when the NPM increases, it will affect the increase in stock returns (Pauziantara, I. I., Ekonomi, F., Galuh, U., & Share, E. P. 2020).

Research by Putra, F. E. P. E., Kindangen, P. (2016) and Liuspita & Widjaja (2021) shows that NPM results have a significant negative effect on stock returns. However, in contrast to research by Ginting & Erward (2013), the NPM results do not have a significant effect on stock returns.

H2: Net Profit Margin (NPM) has a significant negative effect on stock returns

The Effect of PER on Stock Returns

Companies that have a high PER usually have a high growth rate opportunity, which leads to investor interest in buying the company's shares, which can then increase the stock price. The increase in stock prices that occurs will be responded to positively by investors because they will obtain capital gains, which is one of the components of stock returns, thus indicating that PER will have a positive influence on stock returns (Pauziantara, I. I., Ekonomi, F., Galuh, U., & Share, E. P. 2020).

Research by Saraswati et al. (2020) and Mayuni & Suarjaya (2018) shows that PER results have a significant positive effect on stock returns. However, it is different from the research by Ginting & Erward (2013) and shows that the PER result does not affect stock returns.

H3: Price Earnings Ratio (PER) has a significant positive effect on stock returns

The Effect of EPS on Stock Returns

An increase in EPS means that the company is in a growth stage or its financial condition is experiencing an increase in sales and profits. If the EPS of a company is high will increase investors' profit to buy and bid on shares, resulting in a high share price. High EPS indicates the company's ability to generate a net profit per share, which will affect the returns obtained by investors in the capital market (Septiana, F. R., 2019).

Research by Ya & Aliamin (2018), Saraswati et al. (2020) and Mayuni & Suarjaya (2018) shows that EPS results have a positive and significant effect on stock returns. However, in contrast to research by Putra, F. E. P. E., Kindangen, P. (2016) and Liuspita & Widjaja (2021) shows that EPS results do not have a significant effect on stock returns.

H4: Earnings Per Share (EPS) has a significant positive effect on stock returns

The Effect of Company Size on Stock Returns

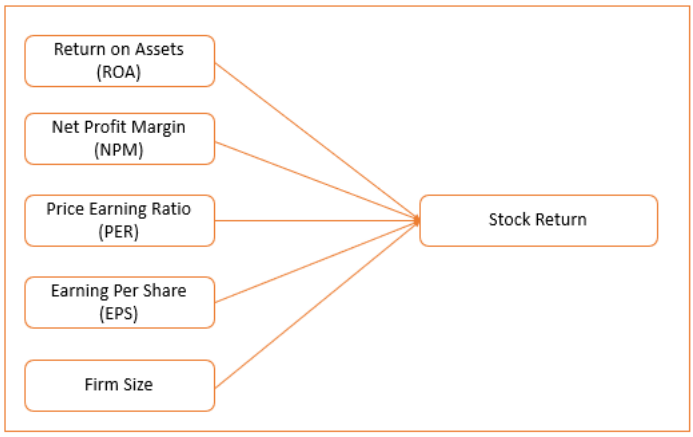
Investors will be more confident in large companies to invest their excess funds, because with such large companies, investors are more confident to entrust the survival of their business to be more secure and less likely to go bankrupt than investing in small companies.

This shows that the more investors intend to buy shares of large companies, the company's stock price will increase, and the share return rate will also increase (Aisah & Mandala, 2016).

Research by Ya & Aliamin (2018) shows that the results of company size have a positive and significant effect on stock returns. However, research by Parawansa et al. (2019) shows that the results of company size have a negative effect on stock returns. Meanwhile, research by Sole (2020) and Mayuni & Suarjaya (2018) shows that the results of company size do not affect stock returns.

H5: Company size has a significant positive effect on stock returns

Research Framework



Source: Putra, F. E. P. E., Kindangen, P. (2016), Sole (2020), Liuspita & Widjaja (2021) and Mayuni & Suarjaya (2018), Saraswati et al. (2020), Ya & Aliamin (2018)

Figure 1. Framework

3. Methodology

The population in this study is all companies listed on the IDX, which is 30 (thirty) companies listed on the IDX. The sampling technique is purposive sampling with the criteria of companies that are included in the Jakarta Islamic Index (JII) in 2016-2020 and listed on the Indonesia Stock Exchange, and have complete data during that year. So that the sample that can be used in this study is as many as 29 companies registered in the Jakarta Islamic index (JII) from 2016 to 2020. The data source used in this study is secondary data derived from financial statements issued by the company in question in the period 2016 to 2020 in the period 2016 to 2020 on the Indonesia Stock Exchange (www.idx.co.id, 2021) and the official website of each company.

Variable Operations

The operational variables in this study can be seen in Table 1.

Table 1. Operational Variables

Research Variables	Formulas	Scale
Return On Aset (ROA) (X1)	$ROA = \frac{\text{Earning After Tax}}{\text{Total Assets}}$ **Source:** Sari (2020)	Ratio
Net Profit Margin (NPM) (X2)	$NPM = \frac{\text{Earning After Tax}}{\text{Net Sales}}$ **Source:** Sodikin, S., & Wuldani, N. (2016)	Ratio
Price Earnings Ratio (PER) (X3)	$PER = \frac{\text{Stock Price}}{\text{Earning Per Share}}$ **Source:** Septiana, F. R. (2019)	Ratio
Earning Per Share (EPS) (X4)	$EPS = \frac{\text{Earning After Tax}}{\text{Outstanding Stocks}}$	Ratio

	Source: Sodikin, S., & Wuldani, N. (2016)	
Firm Size (X5)	$\text{Firm Size} = \text{Ln (Total Assets)}$ **Source:** Asrini, E. D. (2020)	Ratio
Stock Return (Y)	$\text{Stock Return} = \frac{P_t - P_{t-1}}{P_{t-1}}$ **Source:** Astuti, M. F., & Zulkarnain, Z. (2020)	Ratio

In this study, the data analysis technique that will be used is multiple linear regression to test the five hypotheses proposed in this study. Each of these hypotheses was analyzed using Smart PLS 3 software to test the relationship between independent variables and dependent variables. In this study, a classical assumption test was carried out, consisting of normality and multicollinearity tests, hypothesis tests (t tests), determination coefficient tests (R2) and multiple linear regression. The multiple linear regression model used in this study is as follows:

$$\text{Stock Return} = a + b_1\text{ROA} + b_2\text{NPM} + b_3\text{PER} + b_4\text{EPS} + b_5\text{UP} + e$$

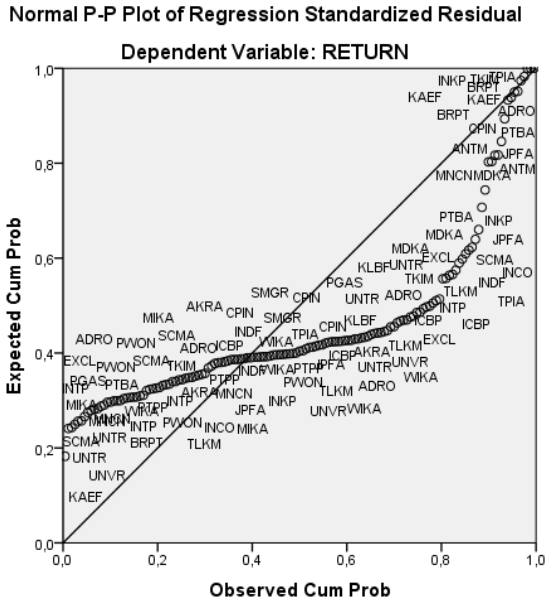
4. Results and Disccussion

Results

Overview of Research Objects

Based on the criteria used in the sample selection, as many as 29 companies were obtained that were suitable as samples from a population of 30 Jakarta Islamic Index (JII) companies, so that the total data in the study was 145 data with the calculated variables being Return On Asset, Net Profit Margin, Price Earning Ratio, Earning Per Share, Company Size and Return Jakarta Islamic Index (JII) stocks for the period 2016 – 2020.

Normality Test



Source: SPSS Processed Data, 2025

Figure 2. Normality Test Results

Through Figure 2, it can be seen that the distribution of data is quite far from the diagonal line. Therefore, it is concluded that the regression model does not meet the

assumption of normality. In addition to looking at the distribution of data on the diagonal line, normality can be determined by the Kolmogorov-Smirnov value.

Table 2. Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		145
Normal Parameters[a,b]	Mean	,326370
	Std. Deviation	1,1817914
Most Extreme Differences	Absolute	,287
	Positive	,287
	Negative	-,247
Kolmogorov-Smirnov Z		3,461
Asymp. Sig. (2-tailed)		,000

Source: SPSS Processed Data, 2025

Based on Table 2, it can be seen that the results of the normality test have a Kolmogorov–Smirnov value of 0.000, which means that the significant p-value is below 0.05, so that the data of this study is not distributed normally. Because the data is not normally distributed, this study is continued using the SmartPLS 3 program.

Multicollinearity Test

Table 3. Multicollinearity Test Results

Variable	VIF	Description
ROA	1,677	No multicollinearity
NPM	1,662	No multicollinearity
PER	1,069	No multicollinearity
EPS	1,244	No multicollinearity
Firm Size	1,419	No multicollinearity

Source: PLS Processed Data, 2025

Based on Table 3, the results of the multicollinearity test show that all independent variables have a VIF value of less than 10, meaning that there is no correlation between the independent variables to stock returns. So, it can be concluded that there are no symptoms of multicollinearity in the study variables used.

Model Feasibility Test

Table 4. R Square Adjusted

Variable	R Square	R Square Adjusted
Stock Return (Y)	0,017	-0,018

Source: PLS Processed Data, 2025

From Table 4, it can be seen that the R Square Adjusted value in the variables ROA, NPM, PER, EPS and Company Size to the Jakarta Islamic Index (JII) stock return is -0.018. This shows that the variables ROA, NPM, PER, EPS and Company Size are not at all able to explain the variance of the dependent variable, namely stock returns.

Hypothesis Test

Table 5. Result of Hypothesis Test

Variable	T Statistics	P Values	Description
ROA → Stock Return	0,714	0,476	No Effect

NPM → Stock Return	0,792	0,429	No Effect
PER → Stock Return	1,241	0,215	No Effect
EPS → Stock Return	0,173	0,863	No Effect
UP → Stock Return	0,094	0,925	No Effect

Source: PLS Processed Data, 2025

The hypothesis testing results indicate that Return on Assets (ROA) does not have a significant effect on stock returns. This test was conducted to determine whether ROA significantly influences stock returns. Based on Table 5, the calculated t-statistic value for ROA is 0.714, which is smaller than the t-table value of 1.976 at a significance level of 0.05. This finding implies that ROA has no significant effect on stock returns. Therefore, the null hypothesis (H_o) is accepted and the alternative hypothesis (H_a) is rejected.

Similarly, Net Profit Margin (NPM) was found to have no significant effect on stock returns. The calculated t-statistic for NPM is 0.792, which is also lower than the t-table value of 1.976 at the 0.05 significance level. This indicates that NPM does not significantly influence stock returns. Consequently, the null hypothesis is accepted, and the alternative hypothesis is rejected.

The results further show that the Price Earnings Ratio (PER) does not significantly affect stock returns. The t-statistic value for PER is 1.241, which remains below the critical t-table value of 1.976 at the 5% significance level. Thus, PER does not have a significant impact on stock returns, leading to the acceptance of the null hypothesis and the rejection of the alternative hypothesis.

Likewise, Earnings Per Share (EPS) does not exhibit a significant effect on stock returns. The calculated t-statistic for EPS is 0.173, which is far below the t-table value of 1.976 at the 0.05 significance level. This result confirms that EPS does not significantly influence stock returns. Therefore, the null hypothesis is accepted and the alternative hypothesis is rejected.

Company Size also does not have a significant effect on stock returns. The t-statistic value for Company Size is 0.714, which is smaller than the t-table value of 1.976 at the 5% significance level. This indicates that Company Size does not significantly influence stock returns. Accordingly, the null hypothesis is accepted and the alternative hypothesis is rejected.

Based on the multiple linear regression analysis, the regression equation of this study is formulated as follows:

Stock Return = −0.06ROA + 0.046NPM + 0.123PER + 0.016EPS + 0.007Firm Size

The regression coefficients indicate that ROA has a negative relationship with stock returns, meaning that an increase in ROA is associated with a decrease in stock returns, and vice versa. Meanwhile, NPM, PER, EPS, and Firm Size show positive regression coefficients, suggesting that increases in these variables are associated with increases in stock returns. However, despite the direction of these relationships, none of the independent variables are statistically significant at the 5% level.

Discussion

The Effect of Variable Return on Assets (ROA) on Stock Return

It is known that the results of the hypothesis test show that ROA does not affect stock returns. So, it can be concluded that Ho was accepted, by Ha was rejected. This can be interpreted as the ROA has no impact on the return of Jakarta Islamic Index (JII) shares for the period 2016 - 2020. This result is due to the existence of several data companies listed in the Jakarta Islamic Index (JII) in 2016 - 2020 that have a net loss, which should have a net profit after tax, which is used for comparison to total assets. The results of this proof show that companies with good ROA conditions or an increased in the company do not have the potential to attract the company by investors. Investors have confidence that the potential for

shares in the company will improve, even though at some point, profitability is not good. This condition makes the company's share price increase so that the increase in ROA will not have an impact on the company's stock returns.

ROA describes the level of profit that a company earns with the level of investment invested. ROA is used to describe the extent to which the company's assets can generate profits. The higher the ROA value means the better the company is using its assets to earn profits. The increase in the value of the company's ROA will have an impact on the return on shares obtained by investors will also be larger. This makes investors interested in buying company shares and has an impact on the increasing stock prices and returns

This theory is contrary to the results of this study which shows that ROA has no effect on the stock return of the Jakarta Islamic Index from 2016 to 2020. The results of this study are similar to the results of research by which show that the results of ROA have no effect on stock returns. And contrary to the research results of Putra, F. E. P. E., Kindangen, P. (2016), and which showed that the results of ROA had a positive and significant effect on stock returns.

The Effect of Net Profit Margin (NPM) Variables on Stock Returns

It is known that the results of the hypothesis test show that NPM has no effect on stock returns. So, it can be concluded that Ho was accepted by Ha was rejected. This can be interpreted that NPM has no impact on the return of Jakarta Islamic Index (JII) shares for the period 2016 – 2020. This result is due to the existence of several data companies listed in the Jakarta Islamic Index (JII) in 2016 - 2020 have a net loss, which should be the company must have a net profit after tax which is used for comparison with net sales. So that the results of this proof show that the company does not take into account the NPM variable to predict stock returns because if the NPM value increases, it can be caused by a greater percentage decrease in sales than the percentage increase in net profit.

Investor interest in high NPM will push demand for a stock to increase, so the stock price will also rise. The increased NPM value reflects the company's better performance, and the profits obtained by shareholders will also increase. So if the NPM increases, it will affect the increase in stock returns

The results of this study are contrary to this theory, but in line with the research which shows that the results of NPM do not have a significant effect on stock returns. And contrary to the research results of Putra, F. E. P. E., Kindangen, P. (2016), and which showed that the results of NPM had a significant negative effect on stock returns.

The Effect of Price Earnings Ratio (PER) Variables on Stock Returns

It is known that the results of the hypothesis test show that PER does not affect stock returns. So it can be concluded that Ho was accepted, by Ha was rejected. This can be interpreted as PER has no impact on the return of Jakarta Islamic Index (JII) shares for the period 2016 – 2020. This result is due to the existence of several company data listed in the Jakarta Islamic Index (JII) in 2016 - 2020 having a negative Earnings Per Share value, which means the company have a positive Earnings Per Share value, which is used for comparison with the stock price. So that the results of this proof show that the company does not take into account the PER variable to predict stock returns because if the PER value increases, it can be caused by a greater percentage increase in the share price than the percentage increase in the Earnings Per Share of the company in question.

Companies that have a high PER usually have a high growth rate opportunity, which leads to investor interest in buying the company's shares, which can then increase the stock price. The increase in stock prices that occurs will be responded to positively by investors because they will obtain capital gains, which is one of the components of stock returns, thus indicating that PER will have a positive influence on stock returns

Contrary to this theory, the results of this study show that PER does not affect stock returns, so that it can be interpreted that PER has no impact on the stock return of the Jakarta Islamic Index (JII) for the period of 2016 – 2020. The results of this study are in line with the research and which showed that the PER result did not affect stock returns. And contrary to the results of research by and which showed that PER results had a significant positive effect on stock returns.

The Effect of Earning Per Share (EPS) Variables on Stock Returns

It is known that the results of the hypothesis test show that EPS does not affect stock returns. So it can be concluded that Ho was accepted, by Ha was rejected. This can be interpreted as EPS has no impact on the return of Jakarta Islamic Index (JII) shares for the period 2016 – 2020. This result is due to the existence of several data companies listed in the Jakarta Islamic Index (JII) in 2016 - 2020 that have a net loss after tax, which means the company must have a net profit after tax, which is used for comparison with the number of shares outstanding. So that the results of this proof show that the company does not take into account the EPS variable to predict stock returns because if the EPS value increases, it can be caused by a percentage increase in net profit after tax greater than the percentage increase in the number of shares outstanding.

An increase in EPS means that the company is in a growth stage or its financial condition is experiencing an increase in sales and profits. If the EPS of a company is high will increase investors' desire to buy and bid on shares, which will result in high stock prices. High EPS indicates the company's ability to generate net profits per share is also high, which will affect the returns obtained by investors in the capital market (

Contrary to this theory, the results of this study show that EPS does not affect stock returns, so it can be interpreted that EPS has no impact on the stock return of the Jakarta Islamic Index (JII) for the period 2016 – 2020. The results of this study are in line with research by Putra, F. E. P. E., Kindangen, P. (2016), and show that EPS results do not have a significant effect on stock returns. And contrary to the results of research by and which showed that EPS results had a positive and significant effect.

The Effect of Company Size Variables on Stock Returns

It is known that the results of this hypothesis test show that the Company Size does not affect stock returns. So it can be concluded that Ho was accepted, by Ha was rejected. This can be interpreted as the Company Size does not have an impact on the Jakarta Islamic Index (JII) stock return for the period 2016 – 2020. These results are in line with the opinion by Aisah & Mandala, (2016), "The more investors intend to buy shares of large companies, the company's share price will increase and the rate of stock return will also increase" and the Jakarta Islamic Index (JII) in 2016 – 2020 has an index that is still below the Kompas 100 and LQ45 indices, so it can be concluded that companies that are listed in The Jakarta Islamic Index (JII) in 2016 – 2020 is still small-scale. So that the results of this proof show that the company in making investments, does not take into account the Company Size variable to predict stock returns because if the value of the Company Size increases, it can be due to a percentage increase in the total assets of the company concerned.

Investors will be more confident in large companies to invest their excess funds, because with such large companies, investors are more confident to entrust the survival of their business to be more secure and very less likely to go bankrupt than investing in small companies. This shows that the more investors intend to buy shares of large companies, the company's stock price will increase and the share return rate will also increase

Contrary to this theory, the results of this study show that Company Size has no effect on stock returns, so it can be interpreted that Company Size does not have an impact on Jakarta Islamic Index (JII) stock returns for the period 2016 – 2020. The results of this study are

in line with research by and showing that the results of company size have no effect on stock returns. And contrary to the results of research by showing that the results of company size have a positive and significant effect on stock returns and research by Parawansa et al. (2019) shows that the results of company size have a negative effect on stock returns.

6. Conclusion

Based on the analysis of the data that has been carried out and the discussion that has been described, the results of the study can be concluded as follows: (1) The variables of Return on Asset, Net Profit Margin, Price Earning Ratio, Earning Per Share, and Company Size do not affect the Jakarta Islamic Index (JII) Stock Return for the period 2016 – 2020.

This research has been carried out in accordance with scientific procedures, but there are still limitations of the research considering that the data of this study does not have a normal distribution because there are some data that should be positive but after processing it has negative results so that the data processing that was originally planned to use the SPSS application, is transferred using the Smart PLS 3 application.

Based on the results of the research that has been carried out, several suggestions are put forward that are expected to be useful in the next research, including: (1) For companies that have good financial performance can continue to be maintained and improved again so that the company's stock returns are in good condition. And vice versa for companies that have poor financial performance to continue to improve their performance, so that investors can invest their capital in the company concerned. (2) For investors, investors are expected to be able to research by analyzing the company's financial performance to predict the expected stock return. In addition, investors are expected to use more significant ratios to assess the company's performance before investing in stocks. (3) For future research that wants to research the same object, it is expected to add variables and use different financial ratios that have not been included in this research model, such as Debt Equity Ratio, Operating Profit, Price to Book Value and Return on Equity. It is also expected to be able to expand the population and sample to be studied because it can affect the results of each research model.

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