

ASSET, CAPITAL STRUCTURE, LIQUIDITY, FIRM SIZE'S IMPACT ON STOCK RETURN

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Abstract

The aim of this study is to analyze the effect of Asset and Capital Structure, Liquidity and Firm Size on Stock Return of companies grouped as LQ-45 index listed in Indonesia Stock Exchange (IDX) during 2015 up to 2019 period. The research involves the secondary data in the form of financial annual report collected from IDX website, sample used is purposive sampling and research object is Asset and Capital Structure, Liquidity and Firm Size as independent variables and Stock Return as dependent variable while analyzing used SPSS 2.0, E-views 9.0 version. The result shown that when Stock Return measured by market price, Firm Size affects significantly on Stock Return, meanwhile Asset Structure, Capital Structure, Liquidity does not and Firm Size does not moderate the relation between Asset Structure, Capital Structure, Liquidity and Stock Return. But when Stock Return measured by Return on Equity (ROE) it is found that Capital Structure, Liquidity and Firm Size affect Return on Equity, meanwhile Asset Structure and Firm Size also moderates the relation between Asset Structure, Capital Structure, Liquidity and ROE. This finding implies that firm management must pay attention on market measurement performance in their strategy to achieve company goals. The originality of this study is that about the period as the last 5 years and the research object of companies grouped as LQ-45 index and measurement comparison between book value and market value of stock return.

Keywords: *Asset Structure, Capital Structure, Liquidity, Firm Size, Stock Return*

1. Introduction

At the end of 2018, from 619 companies listed and active in Indonesia Stock Exchange (IDX), where 327 booked loss, 252 has profit and the rest was stagnant and from top 45 rank only 11 recorded profit. From the list of profit stock, 41 stocks rise more than 100%, some rise 1000% which is stock of companies deal in super energy, fishing product export and sea transportation (Devi, Kania, 2018). Harper (2019) states that stock price determinant describes as fundamental (basic and internal), technical (external combination related market supply and demand) and market sentiment factors (subjective, bias and unlogic) where the last because of its nature always ignore in previous research. Stock return describes a performance picture that affects economic benefit for stockholder, development contribution for industry and state, that is why study about stock return is important to do. Theoretically, stock return affected by many variables, but these following 4 variables found inconsistency result from previous research which is Asset Structure, Capital Structure, Liquidity and Firm Size. Studies by Dennis et al(2014), Hatta et al(2015) Gladys and Job (2017) Catur F et al(2017) resulted that Asset Structure (AS) positively significant affected Stock Return (SR), but opposite result found on work by Mawih K(2014). Meanwhile Sarmad Ali (2017) reported that Capital Structure (CS) effected positive significant on Stock Return but studies by Anthony (2016), Wasfi (2016) Reza et al(2015) found negative significant and there was no affection stated by Mohamed (2017). In the other side Nasir (2014), Trilochan, Eshan (2015) and Heryanto (2016) reported that Liquidity (Liquid) affected negative significant on Stock Return (SR) but Nailul and Agus (2019) wrote that there was no relation. In consistency research about the effect of Firm Size on Stock Return (performance in general) found on works by

Meutia et al (2019), Farhan and Saqib (2015), Rini et al (2015) Kuncova et al (2016) and Olawale et al (2017) reported that there is a significant effect on Stock Return, meanwhile opposite result found on study by Nurhaida (2018), the mixed result on Anissa et al (2015). The importance of study about Stock Return and result inconsistency of previous researches is the reason of doing this research.

2. Literature Review

2.1 Agency Theory

It describes a condition where shareholder (as a principal) pointed the management (Berk et al, 2011) as an agent to run the company with the priority mission to make the shareholder becomes wealthier (Brigham et al, 2014). Based on the mission, management takes managerial activities included increasing its performance in the form of stock return by empowering factors that affected stock return which is Asset Structure, Capital Structure, Liquidity and Firm Size.

2.2. Stock Return (SR)

The stock return is the motivating force in the investment process. It is the reward for undertaking the investment (Bodie, Kane, Markus, 2010; Kasmir, 2016). Assumed that there is no dividend paid, SR could be measured as $SR = (P1-P0)/P0$, where SR = Stock Return, P1 = Stock Price year now, P0 = last year stock price From accounting side Stock Return could be measured by Return on Asset (ROA) that is the ratio of net profit to total asset or Return on Equity (ROE) which is the ratio of net profit and equity. Most studies about stock return used Stock Return (SR) and ROE as proxied of stock return so does this research.

2.3. Asset Structure (AS)

The AS is related the proportion of asset which consisting of fixed and current asset used in firm operation, where Fixed Asset is the value and growth indicator as a guarantee to support firm's growth and profitability. Firm with big fixed asset proportion tends to increase firm's operation volume, sales volume, that is Asset Structure has positive relation with performance and value (Delcoure,2006 at Hatta et al (2015). The proxy of AS used is the ratio of fixed asset to total asset.

2.4. Capital Structure (CS)

The CS is the combination of the liabilities and equity in financial structure of the firm (Brigham dan Houston, 2013). Pecking order theory states that a firm prefer to choose internal source first before external, firm prefer pick Retained Earning and Depreciation before own from third parties. Every firm has its CS based on its nature, in order to increase firm performance, firm value, its stock return. CS proxied by the proportion of long- term liability to total equity.

2.5. Liquidity (Liquid)

The Liquid explain cash and its equivalent adequacy own by firm to cover its short - term debt which expressed by the total amount available of current asset to fulfill its short- term debt. The level of liquid indicates the finance sound of the firm, more and more sound will be a good sign for positive performance. Liquid affects firm performance in general, included stock return. Liquid could be measured by 3 figures that is The Current Ratio, The Quick Ratio and The Operating Cash Flow Ratio and this study uses the Current Ratio (Current Asset/Current Liability) and Loan to Deposit Ratio for banks.

2.6. Firm Size (FS)

FS describes about the scale of a firm however it could be seen in comprehensive view (Trigueiros,2000) as according to empirical corporate finance (Dang ad Li, 2013) it describes sales, total asset value or market capitalization. A firm with big size has more opportunity to enlarge its activity to earn income, the larger the size, the

larger its stock return. Most of the previous studies related the firm size assumed that Firm Size as fixed on performance (Khrisna,1999) usually treated as control or moderating variable. Firm size used in this study is Sales/ Earning After Tax.

2.7. Previous Researches

The study related the effect of AS on SR with results positive significant found on Dennis et al(2014) in Nairobi Securities Exchange, Hatta et al (2015), Gladys and Job (2017), Catur F et al(2017) but opposite result found on Mawih K(2014). Meanwhile researches related the effect of CS on SR done by Sarmad Ali (2017) resulted positive significant, but works by Anthony (2016), Wasfi (2016) and Reza et al(2015) reported negative significant and there is no affection found on study by Mohamed (2017) In the other side, works related the effect of Liquid on SR with negative significant affection found on Nasir (2014), Trilochan and Eshan (2015) and Heryanto (2016) but no affection results found on work by Nailul and Agus (2019). Meanwhile the study about the impact of FS on SR (or performance in general) with result that there is a significant effect on SR found on studies by Meutia et al (2019), Farhan and Saqib (2015), Rini et al (2015, Kuncova et al (2016) and Olawale et al (2017) and the opposite result found on Nurhaida (2018) the mixed result found on Anissa et al (2015) about the American Stock Market.

2.8. Conceptual Framework and Hypotheses

Based on theoretical studies concluded that AS, CS, Liquid and FS affects SR, also FS moderates this affection, so the hypotheses purposed as follows and the conceptual framework in Figure 1.

- H 1a = Asset Structure affects Stock Return
- H 1b = Asset Structure affects Return on Equity
- H 2a = Capital Structure affects Stock Return
- H 2b = Capital Structure affects Return on Equity
- H 3a = Liquidity affects Stock Return
- H 3b = Liquidity affects Return on Equity
- H 4a = Firm Size affects Stock Return
- H 4b = Firm Size affects Return on Equity
- H 5a = Firm Size moderates the impact of Asset Structure on Stock Return
- H 5b = Firm Size moderates the impact of Asset Structure on Return on Equity
- H 6a = Firm Size moderates the impact of Capital Structure on Stock Return
- H 6b = Firm Size moderates the impact of Capital Structure on Return on Equity
- H 7a = Firm Size moderates the impact of Liquidity on Stock Return
- H 7b = Firm Size moderates the impact of Liquidity on Return on Equity

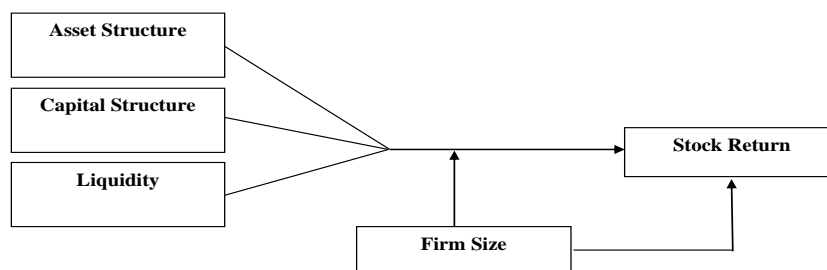


Figure 1 Conceptual Framework

3. Methodology

This study is a causal quantitative research with subject is companies grouped as LQ-45 index listed in Indonesia Stock Exchange (IDX) during 2015 up to 2019 period. and the research object is Asset and Capital Structure, Liquidity and Firm Size as independent variables and Stock Return as dependent variable. Data collected from web site IDX and analyzing used SPSS 2.0 and E-views 9.0 version.

4. The Results

4.1. Research Object Description

The research object is companies grouped as LQ-45 listed in Indonesia Stock Exchange (IDX) which published financial statements during 2014 to 2019. The number of companies consistently included in LQ-45 is 45 during observation is 21 that is the sample is $21 \times 5 = 105$ data observed.

4.2. Description Analysis

It describes the data in the form of average (mean), maximum, minimum and deviation standard (Gozali, 2006). The dependent variable is Stock Return measured by Stock Return formula, $SR = (P1 - P0) / P0$, where SR = Stock Return, P1 = Stock Price year now, P0 = last year stock price and Return on Equity (ROE) calculated as Net Profit After Tax/ Equity, while the independent variables consisted of Asset Structure (Fixed Asset/Total Asset), Capital Structure (Long-term Liability/Equity), Liquidity (current asset/current liability or Loan to Deposit Ratio for Banks) and Firm Size (Sales/Earning After Tax) as shown in table 1.

Table 1: The Summary of Descriptive Statistic Test Result

N = 105	Minimum	Maximum	Mean	Deviation Standard
Asset Structure	0,0090	0,7092	0,2419	0,2107
Capital Structure	0,0276	1,6637	0,3252	0,2987
Liquidity	0,6056	4,8865	1,7349	1,0271
Firm Size	-41,211	306,47	11,912	30,37
ROE	-0,0083	1,6099	0,2229	0,3182
Stock Return	-0,6882	2,2912	0,0277	0,3688

Source: 2020 processed IDX data

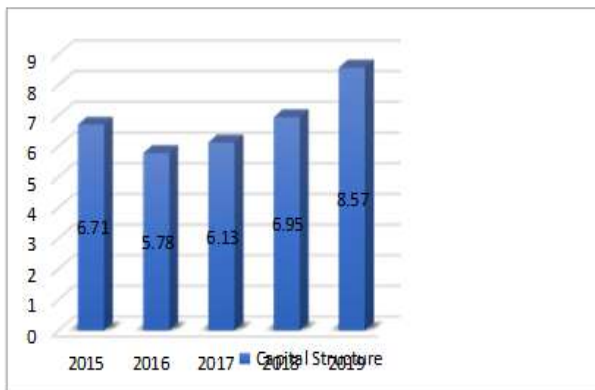
Based on table 1, it is found that minimum value of Asset Structure own by Vale Indonesia year 2015 Tbk and the maximum on behalf of Bank Rakyat Indonesia Persero Tbk year 2015, while minimum Capital structure own by Bank Tabungan Negara Indonesia Tbk year 2015 and the maximum is Waskita Karya year 2019, while minimum The Liquidity on behalf of Unilever Indonesia Tbk year 2016 and the maximum value own by Indocement Tungal Perkasa year 2015. Meanwhile the minimum and maximum value of Firm Size both own by Vale Indonesia Tbk year 2016 and 2017. The minimum ROE is own by Vale Indonesia year 2017 and maximum on behalf of Matahari Departement Store Tbk year 2015, while the minimum SR own by Bank Rakyat Indonesia year 2017 and maximum is on behalf of Adaro Energy Tbk year 2016. The table 2 describes the mean of each variable during the period and detailed for each variable as seen in Graph 1 to 6.

Table 2: Variable Mean during 2015-2019

Variable	2015	2016	2017	2018	2019
Asset Structure	4,99	5,00	4,89	5,17	5,33
Capital Structure	6,71	5,78	6,13	6,95	8,57
Liquidity	37,67	37,85	37,81	33,53	35,29
Firm Size	201,79	459,32	128,18	180,24	281,28
ROE	5,34	4,80	4,69	4,27	4,28
Stock Return	-1,79	4,45	2,16	-1,76	-0,15

Source: 2020 processed IDX data

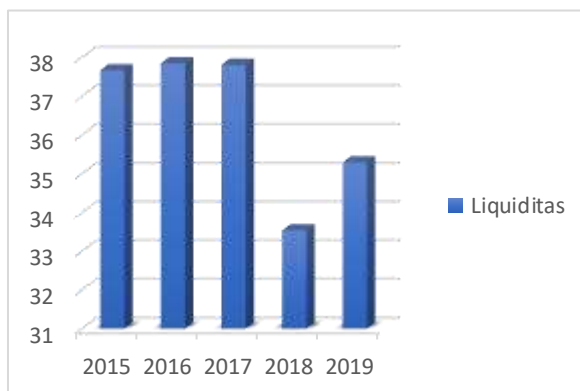
The average value of Asset and Capital Structure, Liquidity, Firm Size and Stock Return (Graph 1,2,3,4 and 6) experienced fluctuation but the ROE (Graph 5) diminished during observation.



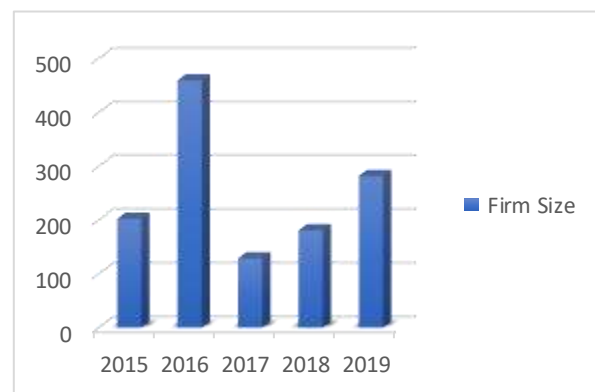
Graph 1 Asset Structure



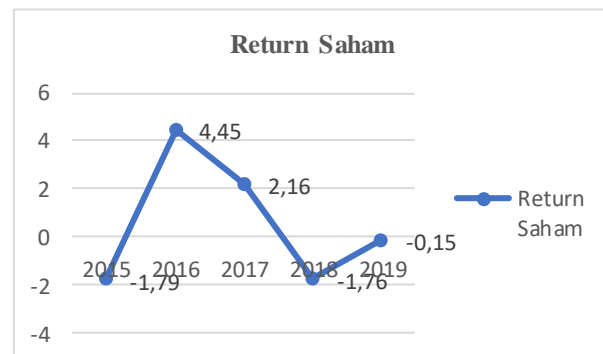
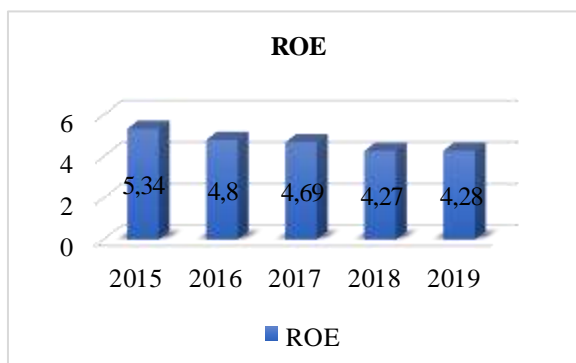
Graph 2. Capital Structure



Graph 3 Liquidity



Graph 4 Firm Size



Graph 5 ROE

Graph 6 Stock Return

4.3. Hypothesis Test

The hypothesis test use E-views 9 version software with *weighted general least square* and the result shown in table 3 and 4.

Table.3: ROE and Stock Return Research Model
 $\text{Return} = \alpha + \beta_1\text{Asset} + \beta_2\text{Cap} + \beta_3\text{Liq} + \beta_4\text{Size} + \epsilon_1$
 $\text{ROE} = \alpha + \beta_1\text{Asset} + \beta_2\text{Cap} + \beta_3\text{Liq} + \beta_4\text{Size} + \epsilon_3$

Variable	Prediction	Return	ROE
Constant	$\beta +$	0.079233	0.207736
ASSETS	$\beta +/-$	-0.024123 (-0.228225)	0.119464 (1.531164)
CAP	$\beta +/-$	-0.106155 (-1.265333)	-0.045354*** (-2.953572)
LIQ	$\beta +/-$	-0.034847 (-1.582921)	-0.038217*** (-2.721411)
SIZE	$\beta +/-$	0.002451*** (2.671842)	-0.000665** (-2.236374)
R^2		0.090023	0.214860
Adjusted R^2		0.053623	0.183454
Fstat		2.473207***	6.841441***

Note: *** supported statistically at alpha 1%**alpha 5% and * alpha 10%
 Source: 2020 processed IDX data

4.3.1. The Effect of Asset Structure on Stock Return and Return on Equity (ROE)

Based on table 3, Asset Structure coefficient is -0.024123 means that if Asset Structure increase by 1 point, so the Stock Return will decrease by 0.024123 and the t statistic value $-0.22 < 1.89$ at significance level $\alpha = 0.05$ with significance value $0.81 > 0.05$ states that there is no affection between Asset Structure on Stock Return. Hypothesis H 1a is rejected.

The Asset Structure coefficient is 0.119464 means that if Asset Structure increase by 1 point so the ROE will increase by 0.119464, the statistic t of $1.53 > 1.89$ at significance level of $\alpha = 0.05$ (5%) with significance value of $0.12 > 0.05$ states that there is no impact Asset Structure on ROE, that is hypothesis H 1b is rejected.

4.3.2. The effect of Capital Structure on Stock Return and ROE

The coefficient Capital Structure is -0.106155 which means that if Capital Structure increase by 1 point, so the Stock Return will decrease by 0.106155, the statistic t of $-1.26 < 1.89$ at significance level $\alpha = 0.05$ (5%) with significance value of $0.20 > 0.05$ declares that there is no impact of Capital Structure on Stock Return, that is hypothesis H 2a is rejected.

The Capital Structure coefficient is -0.045354 means that if Capital Structure increase by 1 point , so the ROE will decrease by 0.045354, the statistic t of 2.95 > 1.89 at significance level $\alpha= 0.05$ (5%) with significance value of 0.00 < 0.05, that is hypothesis H2b is accepted.

4.3.3. The Effect of Liquidity on Stock Return and ROE

The Liquidity coefficient is -0.034847 means that if Liquidity increase by 1 point, so the Stock Return will decrease by 0.034847, the statistic t of -1.26 < 1.89 at significant level $\alpha= 0.05$ (5%) with significance value of 0,20 > 0,05 declares that there is no affection of Liquidity on Stock Return, that is hypothesis H 3a is rejected.

The Liquidity coefficient is -0.038217 means that if Liquidity increase by 1 point so that the ROE will decrease by 0.038217, the statistic t of -2.72 < 1.89 at significance level $\alpha= 0.05$ (5%) with significance value of 0.00 < 0.05 states that there is negative impact of Liquidity on ROE , therefore hypothesis H 3b accepted.

4.3.4. The Effect of Firm Size on Stock Return and ROE

The Firm Size coefficient is 0.002451 means that if Firm Size increase by 1 point so the Stock Return will increase by 0.002451, the statistic t of 2.67 > 1.89 at significance level $\alpha= 0.005$ (5%) with significance value of 0.00 < 0.05 states that the Firm Size effects positively on Stock Return, that is hypothesis H 4a is accepted.

The Firm Size coefficient is -0.000665 means that if Firm Size increase by 1 point, so that the ROE will decrease by 0.000665, the statistic t of -2.23 > 1.89 at significance level $\alpha= 0.05$ (5%) with significance value of 0.02 < 0.05 states that there is negative of Firm Size on ROE, therefore hypothesis H 4b is accepted.

4.3.5. The Determination Coefficient

The R Square of Stock Return is 0.09, means that the variation of Stock Return could be explained by Asset and Capital Structure, Liquidity and Firm Size in 9%, in the other side ROE has R Square of 0,2149 means that ROE is affected by Asset and Capital Structure, Liquidity and Firm Size by 21.49 %, based on these the ROE model better than Stock Return.

Table 4: The Summary Result of Stock Return and ROE Moderation Research Model
 $\text{Return} = \alpha + \beta_5\text{Size*Asset} + \beta_6\text{Size*Cap} + \beta_7\text{Size*Liq} + \epsilon_2$
 $\text{ROE} = \alpha + \beta_5\text{Size*Asset} + \beta_6\text{Size*Cap} + \beta_7\text{Size*Liq} + \epsilon_4$

Variable	Prediction	Return	ROE
Constant		-0.008716	0.182102
SIZE*ASSETS	β +/-	0.016731 (1.375362)	0.010913** (2.187865)
SIZE*CAP	β +/-	-0.002958 (-0.736448)	-0.004115*** (-3.893900)
SIZE*LIQ	β +/-	-0.001960 (-1.059351)	-0.001655** (-2.155593)
R²		0.072619	0.224274
Adjusted R²		0.045073	0.201233
Fstat		2.636***	9,733***

Notes: *** statistically supported at alpha 1% **alpha 5% and * alpha 10%
 Source: 2020 processed IDX data

4.3.6. The effect of Asset Structure on Stock Return and ROE moderated by Firm Size

For Stock Return, the Asset Structure coefficient is 0.016731, the t statistic value of $-1,37 < 1,89$ at significance level $\alpha = 0,05$ (5%) with significance value of $0,17 > 0,05$ declares that Firm Size does not strengthen or weaken the relation between Asset Structure and Stock Return, therefore the hypothesis H5a is rejected.

For ROE, the Asset Structure coefficient is 0.010913, the t statistic value of $2,18 > 1,89$ at significance level $\alpha = 0,05$ (5%) with significance value of $0,03 < 0,05$ states that Firm Size does strengthen relation between Asset Structure and ROE, that is the hypothesis H5b is accepted.

4.3.7. The effect of Capital Structure on Stock Return and ROE moderated by Firm Size

For Stock Return, the Capital Structure coefficient is -0.002958, the t statistic value of $-0,73 < 1,89$ at significance level $\alpha = 0,05$ (5%) with significance value of $0,46 > 0,05$ declares that Firm Size does not strengthen or weaken the relation between Capital Structure and Stock Return, therefore the hypothesis H 6a is rejected.

For ROE, the capital structure coefficient is -0.004115, , the t statistic value of $3,89 > 1,89$ at significance level $\alpha = 0,05$ (5%) with significance value of $0,00 < 0,05$ states that Firm Size does strengthen relation between Capital Structure and ROE, that is the hypothesis H6b is accepted .

4.3.8. The effect of Liquidity on Stock Return and ROE moderated by Firm Size

For Stock Return, the Liquidity coefficient is -0.001960, the t statistic value of $1,05 < 1,89$ at significance level $\alpha = 0,05$ (5%) with significance value of of $0,29 > 0,05$ declares Firm Size does not strengthen or weaken the relation between Liquidity and Stock Return, therefore the hypothesis H7a is rejected.

For ROE, the Liquidity coefficient is -0.001655. the t statistic value of $-2,15 < 1,89$ at significance level $\alpha = 0,05$ (5%) with significance value of $0,03 < 0,05$ states that Firm Size does strengthen relation between Liquidity and ROE, that is the hypothesis H7b is accepted.

4.3.9. The Determination Coefficient

The R Square for Stock Return model is 0.0726 or 7.26 % and the ROE model is 0.2243 or 22,43% it is concluded that the ROE model better than the Stock Return.

5. The Discussion

Table 5 serves the summary of hypothesis test for Stock Return and ROE, the following explanations based on this table.

Table. 5: Hypothesis Test Summary

Hypothesis	Explanations	ROE	Stock Return
1.a	Asset Structure affects Stock Return	---	Rejected
1.b	Asset Structure affects Return on Equity	Rejected	---
2.a	Capital Structure affects Stock Return	---	Rejected
2.b	Capital Structure affects Return on Equity	Accepted	---
3.a	Liquidity affects Stock Return	---	Rejected
3.b	Liquidity affects Return on Equity	Accepted	---
4.a	Firm Size affects Stock Return	---	Accepted
4.b	Firm Size affects Return on Equity	Accepted	---
5.a	Firm Size moderates the impact of Asset Structure on Stock Return	---	Rejected
5.b	Firm Size moderates the impact of Asset Structure on Return on Equity	Accepted	---
6.a	Firm Size moderates the impact of Capital Structure on Stock Return	---	Rejected

6.b	Firm Size moderates the impact of Capital Structure on Return on Equity	Accepted	---
7.a	Firm Size moderates the impact of Liquidity on Stock Return	---	Rejected
7.b	Firm Size moderates the impact of Liquidity on Return on Equity	Accepted	---

Source: 2020 processed data

5.1. The Effect of Asset Structure on Stock Return and ROE

The Asset Structure does not affect either Stock Return or ROE which in line with study by Mawih K(2014) but opposite with the statement that Asset Structure has positive relation with performance and value (Delcoure,2006 at Hatta et al (2015) and studies by Dennis et al(2014), Hatta et al(2015) Gladys and Job (2017) Catur F et al(2017. For companies grouped in LQ-45 during year 2015 to 2019 the Asset Structure is not factor that influences the Stock Return and ROE.

5.2. The effect of Capital Structure on Stock Return and ROE.

The Capital Structure does not affect the Stock Return which in line with study by Mohamed (2017) but opposite with the pecking order theory states that the company option to make debt just because it could drive firm performance, in other word the combination of Capital Structure own by companies grouped in LQ-45 is not enough to drive Stock Return to move, that is the Capital Structure is not factor that influences the Stock Return. But opposite result found on ROE which in line with studies by Sarmad Ali (2017), Anthony (2016), Wasfi (2016) and Reza et al (2015) and support the pecking order theory that the Capital Structure able to drive the ROE to move whether positive or negative. The different result between Stock Return and ROE is possible due the measurement formula, where Capital Structure and ROE based on book value, while Stock Return based on the market value.

5.3. The effect of Liquidity on Stock Return and ROE.

The Liquidity does not affect Stock Return but Does affect the ROE. Liquidity does not affect Stock Return which in line with Nailul and Agus (2019) but opposite with statement that the level of liquidity indicates the finance sound of the firm, more sound will be a good sign for positive performance, Liquidity affects firm performance in general, included stock return. For companies that grouped in LQ-45 during observation the Liquidity is not factor that influences the Stock Return. But Liquidity affects ROE which in line with Nasir (2014), Trilochan and Eshan (2015) and Heryanto (2016 and supports the statement that Liquidity affects firm performance in general. The different result between Stock Return and ROE is possible due to the measurement formula, where Liquidity and ROE based on book value, while Stock Return based on the market value.

5.4. The effect of Firm Size on Stock Return and ROE

Firm Size affect both Stock Return and ROE, which is line with statement that firm with big size has more opportunity to enlarge its activity to earn income, the larger the size, the larger its stock return and performance in general. It is in line with works by Meutia et al (2019), Farhan and Saqib (2015), Rini et al (2015). Kuncova et al (2016) and Olawale et al (2017).

5.5. Firm Size moderates the effect of Asset Structure on Stock Return and ROE.

Firm Size does not moderate the effect of Asset Structure on Stock Return, but it moderates on ROE. The Firm Size could not strengthen or weaken the relation between Asset Structure and Stock Return but it could be on ROE, it means that Firm Size affect positive significance on ROE.

5.6. Firm Size moderates the effect of Capital Structure on Stock Return and ROE.

Firm Size does not moderate the effect of Capital Structure on Stock Return, but it moderates on ROE. The Firm Size could not strengthen or weaken the relation between Capital Structure and Stock Return but it could be on ROE, it means that Firm Size affect negative significance on ROE.

5.7. Firm Size moderates the effect of Liquidity on Stock Return and ROE

Firm Size does not moderate the effect of Liquidity on Stock Return, but it moderates on ROE. The Firm Size could not strengthen or weaken the relation between Liquidity and Stock Return but it could be on ROE, it means that Liquidity affects negative significance on ROE.

6. Conclusion and Suggestion

From 7 hypothesis, ROE approach rejected only 1 variable which is Asset Structure that does not significantly affect the ROE and the other six affects the ROE, in the other side Stock Return approach only accepted 1 variable which is Firm Size that does significantly affect Stock Return and the 6 left does not affect the Stock Return. The difference of these two measurements that is ROE based on book value meanwhile the Stock Return based on market value, therefore it is suggested for future research to explore this condition to find the background these differences.

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