Original Research Article

The Effect of Payout Ratio Dividend and Earning Volatility on Stock Price (In the 2014-2017 BEI Manufacturing Company)

Jajang Badruzaman[*]

Accounting Study Program, Faculty of Economics and Business, Siliwangi University, Jl Siliwangi No.24, Kahuripan, Kec Tawang, Tasikmalaya, Jawa Barat 46115, Indonesia

*Corresponding author: Jajang Badruzaman

Abstract

This research entitled The Effect of Dividend Payout Ratio and Earning Volatility on Stock Prices, the aim is to find out the effect of dividend payout ratio and earnings volatility on stock prices on manufacturing companies in the Indonesia Stock Exchange in 2014-2017 both in parsila maupu together. The sampling technique used purposive sampling and data analysis used panel data regression. The results of data processing show that the Dividend Payout Ratio has no significant effect on the Stock Price. Then Earning Volatility has a significant effect on Stock Prices and jointly with Payout Ratio and Earning Volatility has a significant effect on Stock Prices.
Keywords: Dividen Payout Ratio, Earning Volatility, Harga Saham.

INTRODUCTION

The capital market is a place that can be used by businesses and investors to buy and sell various long-term financial instruments including stocks, bonds and derivative instruments. The capital market plays a role in supporting the success of meeting the funding needs of the business world, as well as investors as those who have excess funds can invest their funds in various securities in the hope of getting a return on that investment.

One form of long-term financial instruments that are traded on the capital market and much sought after by the public is stocks. Stocks have the ability to generate higher profits compared to other capital market instruments, so in investing an investor needs to first analyze the company that is his investment destination.

Investors need a variety of information, both fundamental and technical information. Fundamental information is information that is produced by companies such as financial reports. While technical information is information generated outside the company but will have an impact on the company, for example information about stock price movements and stock price indexes. Both of these information investors must do their analysis so that investors in making decisions will be right, both in buying or selling shares.

Based on the explanation above, the writer is interested in conducting a study entitled The Effect of Dividend Payout Ratio and Earning Volatility on Stock Prices in Manufacturing Companies Listed on the Indonesia Stock Exchange in 2014-2017.

LITERATURE REVIEW

Dividends are the portion of profits distributed to shareholders [1]. Meanwhile, according to Bambang Riyanto [2], "Dividends are cash flow paid to shareholders or equity investors". Distribution of ordinary stock dividends can be done if the company has paid a preferred stock dividend [3].

Brigham *et al.*, [4] there are five types of dividends as follows:
    a. Cash Dividend (cash dividend)
    b. Stock Dividend (stock dividend)
    c. Property Dividend
    d. Dividend Scrip
    e. Liquidating dividend

Dividend policy is an integral part of a company's funding decision. The dividend payout ratio determines the amount of profit that can be retained as a source of funding. The greater the retained earnings the less the amount of profit allocated for dividend payments.

The definition of dividend payout ratio according to Sartono [5] states that "The dividend payout ratio is the percentage of profit paid in the form of dividends with the total profit available to shareholders".

Meanwhile, according to Sutrisno [6] "Dividend Payout Ratio is the percentage of profit distributed as dividends, where the greater the Dividend Payout Ratio the smaller the portion of funds available to be reinvested to the company as retained earnings".

Mathematically Dividend Payout Ratio can be formulated as follows:

$$Dividend\ Payout\ Ratio\ = \frac{Dividend\ Per\ Share}{Earning\ Per\ Share}\ X\ 100\%$$

Tjiptono Darmaji, 2006 [7]

Then Van Horne, James C., John M. Wachowicz, Jr. [8] there are several factors that influence dividend policy, which are as follows:
1. Company liquidity
2. The need for funds to pay debts
3. The company's growth rate
4. Opportunities to the capital market
5. Supervision of fund companies originating

Candra Puspita Ningtyas, Suhadak and Nila Firdausi Nuzula [9] that the Industry Standard Dividend Payout Ratio (DPR) is 5.21%. So Dividend Payout Ratio (DPR) which is above the industry standard is a company that is classified as good or healthy while Dividend Payout Ratio (DPR) which is below the industry average is a company that is classified as not good or unhealthy.

Earning Volatility

Earnings volatility is a statistical concept that determines the associated risk and helps predict the market price of a particular stock financial term [10]. While volatility is a measure that states how much the level of fluctuations (price changes) on certain assets [11].

According to Khurniaji [12] earnings volatility which is a measure that illustrates the extent of the level of stability of earnings or revenue generated by the company from year to year. Theresia and Arilyn [13] states that earnings volatility is the profit fluctuation of a company that reflects the risk of the company's operating activities, this will affect investors' decisions regarding the risks that occur in a company.

Subiyakti [14] earnings volatility is the movement of income changes. If a volatility in the company is high, then the level of profit or income tendencies in the company can be lost easily. And if the volatility of income from a small company, then the company tends to be constant and has no change in production.

Based on some of the above understanding, it can be concluded that earnings volatility is a measure that reflects the ups and downs of profits derived by the company within a certain period that reflects the risk of the company's operating activities. Earnings Volatility will have an impact on 1. Cost of capital, 2. Earnings predictability and 3. Share prices [10].

Earning volatility or income volatility illustrates the level of business risk and the level of bankruptcy of the company, the increase in earnings volatility will increase the risk of loss of company profits, and if it occurs continuously will disrupt the operational activities of the company [12]. Referring to research conducted by Sinta Adelia Lubis [15], measurement of earnings volatility uses a comparison between operating profit and total assets.

Earninig Volatility = (Operating Profit) / (Total Assets)

Stock Prices

Brigham, Eugene F., Joel F. Houston [4] stock prices determine shareholder wealth. Maximizing shareholder wealth translates into maximizing the company's stock price. The price of a stock at a certain time will depend on the cash flow that is expected to be received in the future by the "average" investor if the investor buys the stock.

According to Takarini and Hendrarini [16] states that the stock price is one indicator of a company in achieving success.

According to Darmaji and Fakhrudin [17] stock prices are prices that occur on the stock exchange at a certain time. Stock prices can change up or down in a matter of time that is so fast, can change in minutes can even change in seconds. This is possible because it depends on the demand and supply between the buyer of shares and the seller of shares."

Hadi [18] stated that the stock price is the value of shares in rupiah formed by the action of buying and offering shares on the stock exchange by fellow exchange members. Meanwhile, according to Zulfikar [19] said that stock prices that occur in the capital market always fluctuate from time to time. The price fluctuation will be determined by the strength of supply and demand. If the number of offers is greater than the number of requests, in general the price exchange rate drops. Conversely, if the number of requests is greater than the number of bids, the stock price tends to rise.

Based on the above understanding it can be concluded that the stock price is the price that occurs in the capital market at a certain time that is formed according to market demand and supply and is usually a closing price. In a piece of stock paper has a value or price. According to Widoatmojo [20] the types of stock prices are as follows:

1. Nominal Prices
2. Prime Price
3. Market Prices
4. Opening Price
5. Closing Price
6. Highest Price
7. Lowest price
8. Average Prices

There are several factors that affect the price of securities [21]:

1. Earnings-related announcements.
2. Forecasting announcements by company officials (forecast announcements by company official).
3. Dividend announcements.
4. Financing announcements (financing announcements).
5. Announcements relating to the government.
6. Investment announcements.
7. Labor announcements.
8. Legal announcements (legal announcements).
9. Marketing-production-sales announcements.
10. Management announcements (management-board of director announcements),
11. Announcements of merger take-divestiture announcements.
12. Securities industry announcements (securities industry announcements).

RESEARCH METHODS

The research method used by the author in this research is descriptive method. According to Sugiyono [22], the research method is a scientific way to obtain data with specific goals and uses, the scientific way means the research activities are based on scientific characteristics, namely rational, empirical and systematic.

Operationalization of Variables

According to Sugiyono [23], variables are anything in the form of what is determined by researchers to be studied in order to obtain information about it, on this occasion the variables studied included the Independent Variable (Dividend Pay Out Ratio (X1) and Earning Volatility (X2) and Dependent Variable is the Share Price (Y).

Data Collection Technique

In this study, the authors used secondary data collection techniques. Secondary data is a source that does not directly provide data to data collectors [22].

Target Population

The target population in this study are all manufacturing companies listed on the Indonesia Stock Exchange as many as 128 industrial companies. Based on the variables examined from 2014 to 2017, there were 25 companies that could be studied.

Data Collection Procedure

The procedure used by the authors in this research is library research. Literature study is research that studies the literature of books and other media relating to the problem to be examined. Data obtained from the official website of the Indonesia Stock Exchange. Yahoo Finance, id investing, as well as books, journals and other written works that support and are considered able to provide input in this research.

Research Model

The research model is a thinking pattern that shows the relationship between variables to be studied which also reflects the formulation of the problem that needs to be answered through research [24].

According to Sugiyono [22], data analysis is the process of systematically searching and compiling data obtained from interviews, field notes and other materials, so that they can be easily understood, and their findings can be shared with others. Data analysis techniques in this study using panel data (pooled data) so that the regression using panel data is called the panel data regression model.

The panel data regression model is as follows:

$$Y = \alpha + \beta_1 X_1 it + \beta_2 X_2 it + \beta_3 X_3 it + \beta_4 X_4 it + e$$

Information:

Y	= Stock Price
a	= constant
$\beta_{1,2,3,4}$	= Regression Coefficient
X_1	= *Dividen Pau Out Ratio*
X_2	= *Earning Volatility*
t	= time
i	= company
e	= *Error term*

Classical Panel Data Assumptions Test

The classic assumption test is a test conducted to see whether in a research model there are problems that will interfere with the results of the significance of the study. According to Agus Tri Basuki and Nano Prawoto [25] the classic assumption test in linear regression with the Ordinary Least Square (OLS) approach covers the tests of linearity, autocorrelation, heteroscedasticity, multicollinearity and normality

Panel Data Regression Estimation Technique

According to Basuki & Prawoto [25], to estimate model parameters with panel data, there are 3 (three) techniques used, namely Common Effect Model,

Fixed Effect Model and Random Effect Model. As for testing the model carried out with 3 tests, namely the Chow test, the Hausman test and the Lagrange multiplier test Basuki & Prawoto [25].

a. Hypothesis Testing

    a. T test (Partial Test)

$$t = \frac{r\sqrt{n-2}}{\sqrt{1-r^2}}$$

Information:

    t = Distribution t
    r = Partial correlation coefficient
    r^2 = coefficient of determination
    n = Amount of data

b. Collaborative Testing (F-Test)

$$F = \frac{R^2 K}{(1 - R^2)/(n - k - 1)}$$

Sugiyono [22]

Information:

    R^2 = coefficient of determination Koefisien determinasi
    K   = Number of independent variables
    n   = Number of data members or cases

c. Coefficient of Determination

    $K_d = R^2 \, x \, 100\%$

Information:

    K_d : The coefficient of determination
    R^2 : The correlation coefficient is squared

Attachment

Table-1: Dividen Payout Ratio (DPR) Industry Manufacture Period 2014-2017

No	CODE	Company	Deviden Payout Ratio			
			2014	2015	2016	2017
1	ASII	Astra International Tbk.	45,59	49,54	44,87	39,67
2	AUTO	Astra Otoparts Tbk.	53,08	40,85	10,37	28,84
3	BATA	Sepatu Bata Tbk.	40	6,47	73,17	51,46
4	BRAM	Indo Kordsa Tbk.	26,23	36,86	26,08	59,51
5	CINT	Chitose Internasional Tbk.	24,4	28,11	25,9	28,92
6	CPIN	Charoen Pokphand Indonesia Tbk	16,9	25,89	413,54	36,76
7	EKAD	Ekadharma International Tbk.	15,71	14,82	25,46	16,69
8	GGRM	Gudang Garam Tbk.	28,67	77,73	74,92	64,51
9	HMSP	H.M. Sampoerna Tbk.	86,45	99,89	98,16	98,5
10	ICBP	Indofood CBP Sukses Makmur Tbk	49,71	49,75	24,94	49,76
11	IMAS	Indomobil Sukses Internasional	-21,57	-60,47	-4,78	-12,61
12	INDF	Indofood Sukses Makmur Tbk.	49,72	49,7	49,79	49,92
13	INKP	Indah Kiat Pulp & Paper Tbk.	12,21	4,19	6,03	9,77
14	INTP	Indocement Tunggal Prakarsa Tb	94,29	35,07	88,36	138,55
15	KLBF	Kalbe Farma Tbk.	43,11	44,44	44,84	48,75
16	MLBI	Multi Bintang Indonesia Tbk.	0,68	145,92	100	99,95
17	SIDO	Industri Jamu dan Farmasi Sido	86,71	85,72	81,16	81,49
18	SMBR	Semen Baturaja (Persero) Tbk.	25	25	25	25
19	SMSM	Selamat Sempurna Tbk.	42,7	62,28	20,66	71,49
20	SRIL	Sri Rejeki Isman Tbk.	12,97	6,84	6,99	13,63
21	TKIM	Pabrik Kertas Tjiwi Kimia Tbk.	10,49	62,76	174,53	25,24
22	TOTO	Surya Toto Indonesia Tbk.	28,66	43,42	79,59	48,1
23	TRIS	Trisula International Tbk.	40,59	37,13	79,14	350,9
24	UNVR	Unilever Indonesia Tbk.	44,67	99,88	99,69	99,67
25	WTON	Wijaya Karya Beton Tbk.	31,36	31,38	31,35	31,36

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Table-2: *Earning Volatility* Industry Manufacture Period 2014-2017

No	CODE	Company	*Earning Volatility*			
			2014	2015	2016	2017
1	ASII	Astra International Tbk.	11,59	8	8,5	9,88
2	AUTO	Astra Otoparts Tbk.	7,71	3,02	4,44	4,82
3	BATA	Sepatu Bata Tbk.	12,77	18,71	8,11	9,29
4	BRAM	Indo Kordsa Tbk.	7,07	6,27	10,48	11,19
5	CINT	Chitose Internasional Tbk.	9,82	10,65	7,05	8,04
6	CPIN	Charoen Pokphand Indonesia Tbk	10,1	9,24	16,46	13,28
7	EKAD	Ekadharma International Tbk.	14,28	17,02	16,86	12,88
8	GGRM	Gudang Garam Tbk.	12,38	13,6	14,19	15,63
9	HMSP	H.M. Sampoerna Tbk.	48,34	36,65	40,02	39,16
10	ICBP	Indofood CBP Sukses Makmur Tbk	13,6	15,1	17,26	16,47
11	IMAS	Indomobil Sukses Internasional	0,08	8,1	-0,88	0,47
12	INDF	Indofood Sukses Makmur Tbk.	7,25	5,4	8,99	8,71
13	INKP	Indah Kiat Pulp & Paper Tbk.	1,94	3,27	2,11	5,99
14	INTP	Indocement Tunggal Prakarsa Tb	2,82	2,13	1,66	1,43
15	KLBF	Kalbe Farma Tbk.	22,23	19,87	20,3	19,51
16	MLBI	Multi Bintang Indonesia Tbk.	48,33	32,16	58,03	70,91
17	SIDO	Industri Jamu dan Farmasi Sido	19,34	20,04	21,06	21,59
18	SMBR	Semen Baturaja (Persero) Tbk.	13,49	13,57	7,99	39,9
19	SMSM	Selamat Sempurna Tbk.	30,93	26,29	291,92	29,49
20	SRIL	Sri Rejeki Isman Tbk.	9,44	8,24	6,97	7,1
21	TKIM	Pabrik Kertas Tjiwi Kimia Tbk.	0,41	-0,43	0,04	1,38
22	TOTO	Surya Toto Indonesia Tbk.	18,84	15,64	9,74	13,36
23	TRIS	Trisula International Tbk.	9,1	8,73	7,5	4,01
24	UNVR	Unilever Indonesia Tbk.	53,76	49,77	51,19	49,57
25	WTON	Wijaya Karya Beton Tbk.	10,82	4,62	7,3	5,94

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Table-3: Stock Price Industry Manufacture Period 2014-2017

No	KODE	Nama Perusahaan	Harga Saham (*Closing Price*)			
			2014	2015	2016	2017
1	ASII	Astra International Tbk.	7.425	6.000	8.275	8.300
2	AUTO	Astra Otoparts Tbk.	4.200	1.600	2.050	2.060
3	BATA	Sepatu Bata Tbk.	1.105	900	790	570
4	BRAM	Indo Kordsa Tbk.	5.000	4.680	6.675	7.375
5	CINT	Chitose Internasional Tbk.	362	338	316	334
6	CPIN	Charoen Pokphand Indonesia Tbk	3.780	2.600	3.090	3.000
7	EKAD	Ekadharma International Tbk.	515	400	590	695
8	GGRM	Gudang Garam Tbk.	60.700	55.000	63.900	83.800
9	HMSP	H.M. Sampoerna Tbk.	68.650	94.000	3.830	4.730
10	ICBP	Indofood CBP Sukses Makmur Tbk	13.100	13.475	8.575	8.900
11	IMAS	Indomobil Sukses Internasional	4.000	2.365	1.310	840
12	INDF	Indofood Sukses Makmur Tbk.	6.750	5.175	7.925	7.625
13	INKP	Indah Kiat Pulp & Paper Tbk.	1.045	955	955	5.400
14	INTP	Indocement Tunggal Prakarsa Tb	25.000	22.325	5.400	1.950
15	KLBF	Kalbe Farma Tbk.	1.830	1.320	1.515	1.690
16	MLBI	Multi Bintang Indonesia Tbk.	12.100	8.200	1.750	13.675
17	SIDO	Industri Jamu dan Farmasi Sido	610	550	520	545
18	SMBR	Semen Baturaja (Persero) Tbk.	381	291	2.790	3.800
19	SMSM	Selamat Sempurna Tbk.	4.750	4.760	980	1.255
20	SRIL	Sri Rejeki Isman Tbk.	164	389	230	350
21	TKIM	Pabrik Kertas Tjiwi Kimia Tbk.	850	495	730	2.920
22	TOTO	Surya Toto Indonesia Tbk.	3.975	6.950	498	408
23	TRIS	Trisula International Tbk.	388	300	336	308
24	UNVR	Unilever Indonesia Tbk.	32.300	37.000	8.800	55.900
25	WTON	Wijaya Karya Beton Tbk.	1.300	825	825	825

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Multicollinearity Test

	DPR	EVOL
DPR	1.000000	0.023599
EVOL	0.023599	1.000000

Heteroscedasticity Test

Dependent Variable: RESABS				
Method: Panel Least Squares				
Date: 06/28/20 Time: 18:40				
Sample: 2014 2017				
Periods included: 4				
Cross-sections included: 24				
Total panel (balanced) observations: 96				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	90.00670	14.54831	6.186746	0.0000
DPR	-0.055596	0.171016	-0.325089	0.7461
EVOL	0.232567	0.350312	0.663885	0.5089
	Effects Specification			
Cross-section fixed (dummy variables)				
R-squared	0.773692	Mean dependent var		91.27498
Adjusted R-squared	0.692868	S.D. dependent var		146.0423
S.E. of regression	80.93584	Akaike info criterion		11.85100
Sum squared resid	458542.7	Schwarz criterion		12.54552
Log likelihood	-542.8482	Hannan-Quinn criter.		12.13174
F-statistic	9.572542	Durbin-Watson stat		1.790049
Prob(F-statistic)	0.000000			

Regresi Data Panel

Chaw Test

Redundant Fixed Effects Tests			
Equation: Untitled			
Test cross-section fixed effects			
Effects Test	Statistic	d.f.	Prob.
Cross-section F	5.513476	(23,70)	0.0000
Cross-section Chi-square	99.239357	23	0.0000
Cross-section fixed effects test equation:			
Dependent Variable: HS			
Method: Panel Least Squares			
Date: 06/28/20 Time: 18:29			
Sample: 2014 2017			
Periods included: 4			
Cross-sections included: 24			
Total panel (balanced) observations: 96			
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	225.4730	44.70427	5.043656	0.0000
DPR	-0.602036	0.513176	-1.173157	0.2437
EVOL	1.118130	0.946712	1.181066	0.2406
R-squared	0.028288	Mean dependent var		212.9276
Adjusted R-squared	0.007391	S.D. dependent var		293.3786
S.E. of regression	292.2925	Akaike info criterion		14.22414
Sum squared resid	7945444.	Schwarz criterion		14.30427
Log likelihood	-679.7586	Hannan-Quinn criter.		14.25653
F-statistic	1.353663	Durbin-Watson stat		0.948344
Prob(F-statistic)	0.263333			

Hausman Test

Correlated Random Effects - Hausman Test			
Equation: Untitled			
Test cross-section random effects			
Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	6.243702	2	0.0441
Cross-section random effects test comparisons:			
Variable	Fixed	Random	Var(Diff.)	Prob.
DPR	0.105867	-0.103962	0.014973	0.0864
EVOL	3.410956	2.686071	0.102574	0.0236
Cross-section random effects test equation:			
Dependent Variable: HS			
Method: Panel Least Squares			
Date: 06/28/20 Time: 18:30			
Sample: 2014 2017			
Periods included: 4			
Cross-sections included: 24			
Total panel (balanced) observations: 96			
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	143.0186	36.11663	3.959909	0.0002
DPR	0.105867	0.424554	0.249360	0.8038
EVOL	3.410956	0.869662	3.922165	0.0002
	Effects Specification		
Cross-section fixed (dummy variables)			
R-squared	0.654388	Mean dependent var	212.9276
Adjusted R-squared	0.530955	S.D. dependent var	293.3786
S.E. of regression	200.9257	Akaike info criterion	13.66956
Sum squared resid	2825980.	Schwarz criterion	14.36407
Log likelihood	-630.1389	Hannan-Quinn criter.	13.95029
F-statistic	5.301572	Durbin-Watson stat	2.162827
Prob(F-statistic)	0.000000		

Fixed Efect Modle

Dependent Variable: HS			
Method: Panel Least Squares			
Date: 06/28/20 Time: 18:28			
Sample: 2014 2017			
Periods included: 4			
Cross-sections included: 24			
Total panel (balanced) observations: 96			
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	143.0186	36.11663	3.959909	0.0002
DPR	0.105867	0.424554	0.249360	0.8038
EVOL	3.410956	0.869662	3.922165	0.0002
	Effects Specification		
Cross-section fixed (dummy variables)			
R-squared	0.654388	Mean dependent var	212.9276
Adjusted R-squared	0.530955	S.D. dependent var	293.3786
S.E. of regression	200.9257	Akaike info criterion	13.66956
Sum squared resid	2825980.	Schwarz criterion	14.36407
Log likelihood	-630.1389	Hannan-Quinn criter.	13.95029
F-statistic	5.301572	Durbin-Watson stat	2.162827
Prob (F-statistic)	0.000000		

DISCUSSION

Based on the data the researcher obtained and tested the data, processed the data and tested the model, the results showed that the best regression model used was the Fixed Effect Model. The following are the results of processing panel data with the Fixed Effect Model.

Dependent Variable: HS				
Method: Panel Least Squares				
Date: 06/28/20 Time: 18:28				
Sample: 2014 2017				
Periods included: 4				
Cross-sections included: 24				
Total panel (balanced) observations: 96				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	143.0186	36.11663	3.959909	0.0002
DPR	0.105867	0.424554	0.249360	0.8038
EVOL	3.410956	0.869662	3.922165	0.0002
	Effects Specification			
Cross-section fixed (dummy variables)				
R-squared	0.654388	Mean dependent var		212.9276
Adjusted R-squared	0.530955	S.D. dependent var		293.3786
S.E. of regression	200.9257	Akaike info criterion		13.66956
Sum squared resid	2825980.	Schwarz criterion		14.36407
Log likelihood	-630.1389	Hannan-Quinn criter.		13.95029
F-statistic	5.301572	Durbin-Watson stat		2.162827
Prob(F-statistic)	0.000000			

The best model used in this study is the Fixed Effect Model, with the form of the regression equation as follows:

$$Y = 143{,}0186 + 0{,}105867X1 + 3{,}410956X2 + e$$

Effect of Dividend Payout Ratio on Stock Prices on industrial companies listed on the Indonesia Stock Exchange 2014-2017. The results of data processing obtained a regression coefficient of 0.105867 t test value is 0.249360 and the probability value is 0.8038. The coefficient value of 0.105867 means that it has a positive effect, the value of t count 0.249360 <t table 2.07387 and the probability value of 0.8038> 0.05 means that the Dividend Payout Ratio has no significant effect on the Stock Price.

The Influence of Earning Volatility on Stock Prices in industrial companies listed on the Indonesia Stock Exchange 2014-2017. The results of Earning Volatility processing has a regression coefficient of 3.410956, the t-test value is 3.922165 and the probability value is 0.0002 The coefficient value of 3.410956 means that it has a positive effect, the value of t arithmetic 3.922165> t table 2.07387 and a probability value of 0.0002 <0.05 means that it has a significant effect, So it can be concluded that Earning Volatility partially has a significant positive effect on the Stock Price

The Effect of Dividend Payout Ratio and Earning Volatility on Share Prices in industrial companies listed on the Indonesia Stock Exchange 2014-2017 is 65.4%. Obtained F value of 5.301572 with a level of α = 5%, df numerator 3-1 = 2 and df denominator 96-2-1 = 93 then the F value of the table is 3.09 so that the F count 5.301572> F table 3.09 and the value of probability of 0.000000 <0.05 which means that Dividend Payout Ratio and Earning Volatility together have a significant effect on stock prices.

CONCLUSION

Dividend Payout Ratio partially has no significant effect on stock prices. However Earning Volatility partially has a significant positive effect on Stock Prices. Then the Dividend Payout Ratio and Earning Volatility together have a significant effect on stock prices. As such, investors in deciding to invest in technical analysis are more dominant than technical analysis.

REFERENCE

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