THE EFFECT OF DEBT TO ASSET RATIO, RETURN ON ASSETS, AND CURRENT RATIO ON STOCK RETURNS WITH EARNINGS PER SHARE AS A MEDIATING VARIABLE IN THE PROPERTY AND REAL ESTATE SECTOR LISTED ON THE INDONESIA STOCK EXCHANGE

Alvaro Danadyaksa Sandya[1]
Universitas Muhammadiyah Pontianak, Pontianak, Indonesia
sandyaalvaro@gmail.com

Fuad Ramdhan Ryanto[2]
Universitas Muhammadiyah Pontianak, Pontianak, Indonesia
fuad_ryantoak@yahoo.com

Abstract

This study aims to analyze the effect of Debt to Asset Ratio (DAR), Return on Assets (ROA), and Current Ratio (CR) on stock returns with Earnings per Share (EPS) as a mediating variable in property and real estate sector companies listed on the Indonesia Stock Exchange (IDX) during the 2022–2024 period. The study employs a quantitative approach with an associative research design, utilizing secondary data in the form of annual financial statements and stock price data published by the IDX. The research sample was determined using a purposive sampling technique, resulting in 82 companies that met the research criteria. Data analysis was conducted using path analysis with the assistance of SPSS software. The results show that directly, DAR and ROA have a significant negative effect on stock returns, while CR has a significant positive effect on stock returns. In the mediation equation, ROA has a significant positive effect on EPS, CR has a significant negative effect on EPS, while DAR has no significant effect on EPS. In addition, EPS is proven to have a significant negative effect on stock returns, thereby acting as a mediating variable that weakens the relationship between financial variables and stock returns. These findings indicate that in the property and real estate sector, market responses are not always linearly aligned with profitability indicators and earnings per share. This study provides an empirical contribution in clarifying the mechanism of the relationship between financial ratios and stock returns through EPS and serves as a reference for investors and company management in understanding the dynamics of capital market valuation.

Keywords: Debt to Asset Ratio, Return on Assets, Current Ratio, Stock Returns, Earnings per Share

INTRODUCTION

Investment in stock instruments is essentially aimed at obtaining returns, namely investment results that can take the form of profits or losses over a certain period, which are reflected in changes in stock prices and or regular income such as dividends. In capital market practice, return is not merely a final figure, but an indicator that records the quality of investment decisions and the accuracy of risk assessment. Therefore, investors require an analytically accountable basis to assess whether the returns obtained are a reasonable consequence of the risks taken or instead reflect weaknesses in asset selection. Investors who invest capital in the form of stocks are essentially wagering their funds on the company's prospects, thus requiring relevant and accurate information as a basis for investment decision making related to company performance and stock development in the capital market (Sodikin and Wuldani 2016).

In the Indonesian context, the Indonesia Stock Exchange (IDX) serves as the main infrastructure that brings together the interests of issuers in obtaining funding and the interests of investors in conducting securities transactions. Trading activities of stocks and related instruments on the IDX show increasingly dense dynamics, both in terms of the number of issuers across sectors and the expansion of investor participation. Increased activity and product innovation in the capital market have direct implications for the need for more precise stock performance analysis, because growth in participation does not automatically correspond to the quality of investment decisions. In other words, the more crowded the market, the greater the risk of decisions that rely solely on sentiment or short term trends without adequate fundamental indicators (www.idx.co.id, 2025).

Among the various sectors listed on the IDX, the property and real estate sector has relatively distinctive characteristics: it is capital intensive, tends to be less liquid, and is sensitive to macroeconomic conditions such as interest rates, inflation, government policies, and purchasing power. These characteristics cause stock returns in the property and real estate sector to move unevenly across issuers, even when the sector appears to improve in aggregate. Closing stock price data of property and real estate sector issuers for the 2022–2024 period show a wide price distribution and non homogeneous changes, indicating that market recovery or pressure is not experienced evenly by all companies within the same sector (www.idx.co.id, 2025). This condition is important to examine critically because investors often simplify a sector into a single uniform "narrative", whereas variations in returns can actually signal differences in fundamentals and financial policies among issuers.

Differences in returns among issuers require more systematic testing of fundamental factors commonly used by investors to assess risk and company performance. In financial analysis, funding structure and profit generating capability are two areas most frequently debated regarding their relevance to returns: the use of debt can increase expansion capacity but simultaneously increase financial risk, while profitability serves as a measure of whether company assets are truly productive in generating profits. On the other hand, liquidity is often viewed as a "guarantee" of a company's short term capability, but in capital intensive sectors, liquidity indicators are not always linearly related to resilience or return prospects. Therefore, testing the effect of Debt to Asset Ratio, Return on Assets, and Current Ratio on stock returns becomes relevant to ensure whether these indicators truly explain variations in returns in the property and real estate sector, or are merely considered important due to habitual analytical practices.

Furthermore, an approach that only tests the direct effect of financial ratios on returns risks oversimplifying more complex mechanisms. Theoretically, market reactions to company performance are often influenced by information that is more readily interpreted by investors, one of which is Earnings per Share (EPS) because it represents profit per share and is often used as a basis for expectations regarding company prospects. If so, the effect of financial ratios on stock returns may operate through EPS rather than solely through direct relationships, making the testing of mediation variables important to prevent premature or biased explanatory conclusions.

Based on the above description, this study aims to analyze the effect of Debt to Asset Ratio, Return on Assets, and Current Ratio on stock returns with Earnings per Share as a mediating variable in property and real estate sector companies listed on the IDX during the 2022–2024 period, using data sourced from IDX publications (www.idx.co.id, 2025). Theoretically, this study is expected to clarify the mechanism of the relationship between fundamental indicators and stock returns through EPS, thus providing a more structured explanation compared to isolated ratio interpretations. Practically, the results are expected to serve as a more critical reference for investors in formulating data based decisions, as well as for issuers in evaluating capital structure, profitability, and liquidity policies in relation to market responses to company performance.

REVIEW OF LITERATURE

Debt to Asset Ratio

According to Hanafi and Mamduh (2016), the Debt to Asset Ratio is a ratio used to assess how much of a company's assets are financed by debt or how much company debt affects asset management. A high DAR value reflects increased risk for creditors because the company is considered less capable of meeting all its obligations, a condition that leads to higher interest expenses, thereby potentially reducing dividend distribution, yet it is still stated to have a positive effect on the company's stock value (Zaman 2021). The Debt to Asset Ratio not only reflects the level of a company's financial risk but also serves as an important indicator for investors in assessing a company's ability to manage its funding structure effectively (Siagian et al. 2021). An optimally managed DAR level can signal a company's funding strategy and future financial performance prospects.

Return on Assets

According to Kasmir (2017), Return on Assets (ROA) is often referred to as economic profitability, which measures a company's ability to generate profits using all of its assets. Companies with high ROA levels generally show better stock prices, making them more attractive to potential investors and providing opportunities for higher stock returns (Sholikhah and Kartadjumena 2024). ROA is obtained by comparing net income to total assets, thus this ratio illustrates a company's ability to generate profits from each unit of asset used. An increase in earnings before interest and taxes that is not followed by an increase in total assets will cause ROA to rise. Therefore, the higher the ROA, the greater the level of profit generated by the company, reflecting better profitability performance (Syam and Lestari 2024).

Current Ratio

According to Hery (2007), the Current Ratio (CR) is a ratio used to measure a company's ability to meet its short term obligations that are due using available current assets. Companies with a high current ratio reflect strong liquidity conditions, enabling them

to better face operational uncertainty and financial risk pressures (Putra and Arita 2025). The Current Ratio is calculated by comparing current assets with current liabilities, indicating the extent to which a company's current assets can cover all short-term obligations (Utami and Hendaryan 2024).

Earnings per Share

According to Widiatmodjo (2000), Earnings per Share (EPS) is a measure used to assess a company's profitability level based on net income available to ordinary shareholders per outstanding share. EPS reflects a company's ability to generate profits that are directly associated with shareholder interests. A low EPS value indicates that management performance has not been able to provide optimal results for shareholders, while a high EPS reflects better company conditions by indicating increased shareholder welfare (Putri et al. 2024). Thus, EPS represents the amount of profit allocated to shareholders as a return on stock ownership (Hertina and Saudi 2019).

Stock Returns

Stock return is one of the main indicators used to evaluate investment outcomes in the capital market. According to Tandelin (2001), stock return can be understood as the expected profit that investors will obtain in the future as compensation for time sacrifice and risk inherent in the investment made. In line with this, Wildawati and Sulastiningsih (2019) state that stock return serves as an important indicator for rational investors in evaluating the success of an investment decision. Through return analysis, investors can assess the extent to which an investment provides returns consistent with expectations and accepted risk levels. Thus, stock return not only reflects the magnitude of profit obtained but also serves as a measure of the effectiveness of investment fund management.

RESEARCH METHOD

This study uses a quantitative approach with an associative type of research. Associative research aims to analyze the relationship and influence between two or more variables in a research model (Siregar, 2015). This approach was selected to test the effect of Debt to Asset Ratio, Return on Assets, and Current Ratio on stock returns with Earnings per Share as a mediating variable. The data used in this study are secondary data obtained through documentation techniques. Secondary data were selected because they are obtained indirectly through intermediary media, such as financial statements and official publications of the Indonesia Stock Exchange. The population in this study comprises all property and real estate sector companies listed on the Indonesia Stock Exchange, totaling 92 companies during the 2022–2024 period. The sample was determined using purposive sampling, which is a sampling method based on specific considerations and criteria so that the data obtained are relevant to the research objectives (Sugiyono, 2019). The sampling criteria used were property and real estate companies listed on the Indonesia Stock Exchange that have published audited annual financial statements for the 2022–2024 period. Based on these criteria, 82 companies were obtained as the research sample. The dependent variable in this study is Stock Returns (Y2), with Earnings per Share (EPS) (Y1) as the mediating variable. The independent variables include Debt to Asset Ratio (DAR) (X1), Return on Assets (ROA) (X2), and Current Ratio (CR) (X3).

Data analysis was conducted using path analysis to test the direct and indirect effects of the independent variables on stock returns with Earnings per Share as the mediating variable (Ghozali, 2016). Before model testing, classical assumption tests were conducted,

including the Kolmogorov–Smirnov normality test, multicollinearity testing using tolerance values and Variance Inflation Factor (VIF), autocorrelation testing using the Run test, heteroscedasticity testing using the Glejser test, and linearity testing using the Lagrange Multiplier method (Ghozali, 2016). Hypothesis testing was carried out through the simultaneous test (F test) and partial test (t test) at a 5 percent significance level. The strength of the relationship among variables was analyzed using the multiple correlation coefficient (R), while the model's ability to explain variation in the dependent variable was analyzed through the coefficient of determination (R^2) (Ghozali, 2016).

RESULTS AND DISCUSSION

Classic Assumption Test

Normality Test

The normality test in this study aims to assess whether the residuals are normally distributed as a prerequisite for further analysis. To address data non-normality, a transformation using the natural logarithm was conducted so that the data are more suitable for statistical analysis. The subsequent normality test was conducted using the Kolmogorov–Smirnov (K S) method, with the test results presented in Table 1:

Table 1
Normality Test Results

Test	Value
N (Sample)	82
(Kolmogorov-Smirnov Z)	0.085
Asymp.Sig.(2-tailed)	.200[c,d]

Source: SPSS Secondary Output Data (2025)

From Table 1, the normality test using the Kolmogorov–Smirnov method is significant at 0.200 > 0.05, so it can be concluded that the regression method in this study has met the normality assumption.

Multicollinearity Test

The multicollinearity test was conducted to ensure the absence of strong relationships among independent variables that could disrupt the stability of the regression model. This test uses Tolerance and Variance Inflation Factor (VIF) values as indicators, with the criteria that the model is declared free from multicollinearity if Tolerance > 0,10 and VIF < 10. The multicollinearity test results for Equation 1 are presented in Table 2:

Table 2
Multicollinearity Test Results Equation 1

Variable	Tolerance	VIF
Debt to Asset Ratio (DAR)	0.913	1.095
Return on Asset (ROA)	0.815	1.227
Current Ratio (CR)	0.840	1.190

Source: SPSS Secondary Output Data (2025)

From Table 2, the tolerance values show that all variables have tolerance > 0,10 and VIF < 10. Therefore, it is concluded that there are no multicollinearity symptoms between the independent and mediating variables in the regression of Equation 1.

The results of the multicollinearity test for equation 2 are presented in Table 3:

Table 3
Multicollinearity Test Results Equation 2

Variable	Tolerance	VIF
Debt to Asset Ratio (DAR)	.910	1.099
Return on Asset (ROA)	.184	5.428
Current Ratio (CR)	.718	1.392
Earnings Per Share (EPS)	.207	4.823

Source: SPSS Secondary Output Data (2025)

From Table 3, the tolerance values show that all variables have tolerance > 0,10 and VIF < 10. Therefore, it is concluded that there are no multicollinearity symptoms between the independent and mediating variables in the regression of Equation 2.

Autocorrelation Test

The autocorrelation test was conducted to test whether there is a relationship between the error in the current period and the error in the previous period in the linear regression model. In this study, autocorrelation was tested using the Run Test, which is used to assess whether residuals appear randomly. The autocorrelation test results are presented in Table 4:

Table 4
Autocorrelation Test Results

Runs Test	
	Unstandardized Residual
Test Value[a]	-0.03815
Cases < Test Value	41
Cases >= Test Value	41
Total Cases	82
Number of Runs	48
Z	1.333
Asymp. Sig. (2-tailed)	0.182
a. Median	

Source: SPSS Secondary Output Data (2025)

From Table 4, the Asymp Sig value is 0,182, which is greater than 0,05. Therefore, it can be concluded that there are no symptoms or problems of autocorrelation in this study.

Linearity Test

The linearity test aims to assess the appropriateness of the regression model specification used, particularly whether the relationships among variables are more appropriately represented in a linear form or in non-linear forms such as quadratic or cubic. In this study, linearity testing was conducted using the Lagrange Multiplier method to ensure the suitability of the model function used. The linearity test results are presented below. The linearity test results for Equation 1 are presented in Table 5:

Table 5
Linearity Test Results Equation 1

Model	R	R Square	Adjusted R-Square	Std. Error of the Estimate
1	.890[a]	.793	.785	0.89976

Predictors: (Constant), CR, DAR, ROA

Source: SPSS Secondary Output Data (2025)

From Table 5, using the Lagrange Multiplier Test method, R2 is 0,793 with n = 82, so c2 calculated = 82 × 0,793 = 65,03. Then, c2 calculated is compared with c2 table with df

(n-k), 82-3 = 79 at a significance level of 0,05, obtaining c2 table = 100,75. From the results, c2 calculated 65,03 < 100,75, so it can be concluded that the regression is linear.

The linearity test results for Equation 2 are presented in Table 6:

Table 6
Linearity Test Results Equation 2

Model	R	R Square	Adjusted R-Square	Std. Error of the Estimate
1	.975[a]	.950	.948	0.11008
Predictors: (Constant), EPS, CR, DAR, ROA				

Source: SPSS Secondary Output Data (2025)

From Table 6, using the Lagrange Multiplier Test method, R2 is 0,950 with n = 82, so c2 calculated = 82 × 0,950 = 77,9. Then, c2 calculated is compared with the c2 table with df (n-k), 82-4 = 78 at a significance level of 0,05, obtaining c2 table = 99,617. From the results, c2 calculated 77,9 < 99,617, so it can be concluded that the regression is linear.

Heteroscedasticity Test

The heteroscedasticity test was conducted to determine whether there are differences in the residual variance across observations in the regression model. A good model is characterized by constant residual variance (homoscedasticity), whereas non-constant variance indicates heteroscedasticity. In this study, heteroscedasticity testing uses the Glejser method by referring to the significance value of the test results, which are presented in the following table. The heteroscedasticity test results are presented in Table 7:

Table 7
Heteroskedasticity Test Results

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.873	.157		5.558	.000
	DAR	-.041	.023	-.196	-1.813	.074
	ROA	-.020	.041	-.116	-.482	.631
	CR	-.036	.021	-.216	-1.776	.080
	EPS	-.019	.031	-.141	-.626	.533
a. Dependent Variable: Stock Returns						

Source: SPSS Secondary Output Data (2025)

From Table 7 of the heteroscedasticity test, it is known that in the regression analysis there are no symptoms of heteroscedasticity. This is indicated by the significance values for the DAR (X1) variable of 0.074, the ROA (X2) variable of 0.631, the CR (X3) variable of 0.080, and the EPS (Y1) variable of 0.533. Therefore, there are no symptoms or problems of heteroscedasticity in this study.

Statistical Analysis

Path Analysis

Path analysis is a statistical technique used to test causal relationships between independent variables, the dependent variable, and the mediating variable. This method enables researchers to assess the direct and indirect effects of independent variables on the dependent variable through an intervening variable. The path analysis model is constructed

through regression between the independent variables and the mediating variable, as well as regression between the independent variables, the mediating variable, and the dependent variable. The path analysis test results for Equations 1 and 2 are presented in Tables 8 and 9:

Table 8
Path Analysis Results Equation 1

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	2.866	.474		6.049	.000
	DAR	.041	.083	.026	.488	.627
	ROA	1.164	.071	.933	16.338	.000
	CR	-.252	.069	-.204	-3.635	.000
a. Dependent Variable: EPS						

Source:SPSS Secondary Output Data (2025)

Table 9
Path Analysis Results Equation 2

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	6.823	.070		97.103	.000
	DAR	-.126	.010	-.329	-12.358	.000
	ROA	-.151	.018	-.486	-8.210	.000
	CR	.020	.009	.065	2.184	.032
	EPS	-.099	.014	-.397	-7.113	.000
a. Dependent Variable: STOCK RETURNS						

Source:SPSS Secondary Output Data (2025)

From Tables 8 and 9, the path analysis test produces the following regression equations:

$$Y1 = 2.866 + 0.041X1 + 1.164X2 – 0.252X3 + e$$
$$Y2 = 6.823 – 0.126X1 – 0.151X2 + 0.020X3 – 0.099Y1 + e$$

These regression equations can be interpreted as follows:

a. Based on the first regression model equation above, it is known that the constant has a value of 2.866 (positive). The DAR variable has a coefficient of 0.041, indicating that an increase of one unit in DAR will increase EPS by 0.041. The ROA variable has a coefficient of 1.164, indicating that an increase of one unit in ROA will increase EPS by 1.164. The CR variable has a coefficient of -0.252, indicating that an increase of one unit in CR will decrease EPS by 0.252.
b. Based on the second regression model equation above, it is known that the constant has a value of 6.823 (positive). The DAR variable has a coefficient of -0.126, indicating that an increase of one unit in DAR will decrease Stock Returns by 0.126. The ROA variable has a coefficient of -0.151, indicating that an increase of one unit in ROA will decrease Stock Returns by 0.151. The CR variable has a coefficient of 0.020, indicating that an increase of one unit in CR will increase Stock Returns by 0.020. The EPS variable has a coefficient

of -0.099, indicating that an increase of one unit in EPS will increase Stock Returns by 0.099.

Correlation Coefficient Analysis (R)

Correlation analysis is used to test associative hypotheses by examining the relationships among variables based on sample data. The correlation coefficient analysis test results for Equation 1 are presented in Table 10:

Table 10
Correlation Coefficient Test Results (R) Equation 1

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.890[a]	.793	.785	0.89976

Predictors: (Constant), CR, DAR, ROA

Source: SPSS Secondary Output Data (2025)

From Table 10, the first model equation in the correlation coefficient (R) test yields a value of 0.890. This value indicates that there is a weak relationship between the independent variables consisting of DAR (X1), ROA (X2), and CR (X3) and the dependent variable, namely EPS (Y1). Thus, an R value of 0.890 falls into the very strong category, meaning that the three independent variables (X) have a very strong relationship contribution to EPS (Y1).

The correlation coefficient analysis test results for Equation 2 are presented in Table 11:

Table 11
Correlation Coefficient Test Results (R) Equation 2

Model	R	R Square	Adjusted R-Square	Std. Error of the Estimate
1	.975[a]	.950	.948	0.11008

Predictors: (Constant), EPS, CR, DAR, ROA

Source: SPSS Secondary Output Data (2025)

From Table 11, the second model equation in the multiple correlation test shows that DAR, ROA, CR, and EPS simultaneously have a very strong relationship with Stock Returns, indicated by an R value of 0.975. The R Square value of 0.950 indicates that 95% of the variation in Stock Returns can be explained by the four variables. Therefore, it can be concluded that DAR, ROA, CR, and EPS together provide a very large and significant influence on Stock Returns.

Analysis of the Coefficient of Determination R^2

From Tables 10 and 11, the R^2 value in the first equation is 0.793 or 79.3%, meaning that the EPS variable is influenced by the DAR, ROA, and CR variables, while the remaining 20.7% is influenced by other variables not observed in this study. Meanwhile, after the second equation, R^2 increases to 0.950 or 95%, meaning that the Stock Return variable is influenced by DAR, ROA, CR, and EPS as a mediator, while the remaining 5% is influenced by other variables not observed.

Statistical Test F

The F test is used to assess the simultaneous significance of the regression model, namely to determine whether all independent variables jointly have a significant effect on the dependent variable. This test also aims to confirm the feasibility of the regression model in explaining the relationships among variables.

The F test results for Equation 1 are presented in Table 12:

Table 12

Statistical Test Results F Equation 1

Model	Sum of Squares	Mean Square	F	Significance
Regression	241.382	80.461	99.388	.000[b]
Residual	63.146	.810		
Dependent Variable: EPS				
Predictors: (Constant), CR, DAR, ROA				

Source: SPSS Secondary Output Data (2025)

From Table 12, in the F test, the first model equation obtains a significance value of 0.000 < 0.05, meaning that Ho is rejected and Ha is accepted. Then, based on the output, the first model equation has an F calculated value of 99.388, so F calculated 99.388 > 2.72. Therefore, it can be concluded that DAR (X1), ROA (X2), and CR (X3) simultaneously affect EPS (Y1).

The F test results for Equation 2 are presented in Table 13:

Table 13
Statistical Test Results F Equation 2

Model	Sum of Squares	Mean Square	F	Significance
Regression	17.836	4.459	367.996	.000[b]
Residual	.933	.012		
Dependent Variable: STOCK RETURN				
Predictors: (Constant), EPS, CR, DAR, ROA				

Source: SPSS Secondary Output Data (2025)

From Table 13, in the F test, the second model equation obtains a significance value of 0.000 < 0.05, meaning that Ho is rejected and Ha is accepted. Then, based on the output, the second model equation has an F calculated value of 367.996, so F calculated 367.996 > 2.49. Therefore, it can be concluded that DAR (X1), ROA (X2), and CR (X3) simultaneously affect Stock Returns (Y2) with EPS (Y1) as a mediating variable.

Statistical Test t

The t test is used to test the effect of each independent variable partially on the dependent variable in the regression model. This test aims to determine the significance of the contribution of each independent variable individually. The t test results for Equation 1 are presented in Table 14:

Table 14
Statistical Test Results t Equation 1

Research Variable	Coefficients	t Statistic	Significance Value
(Constant)	2.866	6.049	.000
DAR	.041	.488	.627
ROA	1.164	16.338	.000
CR	-.252	-3.635	.000
Dependent Variable: STOCK RETURN			

Source: SPSS Secondary Output Data (2025)

From Table 14, in the t test, the t table value used is 1.664, and the results can be explained as follows:

a. The DAR variable (X1) shows a Sig. value of 0.627 > 0.05 and a t calculated value of 0.488, which is smaller than t table (0.488 < 1.664). Thus, the hypothesis is that the DAR variable does not partially affect EPS.

b. The ROA variable (X2) shows a Sig. value of 0.000 < 0.05 and a t calculated value of 16.338, which is greater than t table (16.338 > 1.664). Thus, the hypothesis is that the ROA variable partially affects EPS.
c. The CR variable (X3) shows a Sig. value of 0.000 < 0.05 and a t calculated value of -3.635, which is smaller than t table (-3.635 < -1.664). Thus, the hypothesis is that the CR variable partially affects EPS.

The t test results for Equation 2 are presented in Table 15:

Table 15
Statistical Test Results t Equation 2

Research Variable	Coefficients	t Statistic	Significance Value
(Constant)	6.823	97.103	.000
DAR	-.126	-12.358	.000
ROA	-.151	-8.210	.000
CR	.020	2.184	.032
EPS	-.099	-7.113	.000
Dependent Variable: RETURN SAHAM			

Source: SPSS Secondary Output Data (2025)

From Table 15, in the t test, the t table value used is 1.665, and the results can be explained as follows:

a. The DAR variable (X1) shows a Sig. value of 0.000 < 0.05 and a t calculated value of -12.358, which is smaller than t table (-12.358 < -1.665). Thus, the hypothesis is that the DAR variable individually has an effect on Stock Returns with EPS as a mediator.
b. The ROA variable (X2) shows a Sig. value of 0.000 < 0.05 and a t calculated value of -8.210, which is smaller than t table (-8.210 < -1.665). Thus, the hypothesis is that the ROA variable individually has an effect on Stock Returns with EPS as a mediator.
c. The CR variable (X3) shows a Sig. value of 0.032 < 0.05 and a t calculated value of 2.184, which is greater than t table (2.184 > 1.665). Thus, the hypothesis is that EPS individually has an effect on Stock Returns with EPS as a mediator.
d. The EPS variable (Y1) shows a Sig. value of 0.000 < 0.05 and a t calculated value of -7.113, which is smaller than t table (-7.113 < -1.665). Thus, the hypothesis is that EPS individually has an effect on Stock Returns.

CONCLUSION

This study provides empirical evidence that the relationship between financial ratios and stock returns in the property and real estate sector is complex and not fully aligned with conventional theoretical assumptions. The results show that Debt to Asset Ratio and Return on Assets have a significant negative effect on stock returns, while Current Ratio has a significant positive effect on stock returns. These findings indicate that the use of debt and high profitability are not always positively responded to by the market in a capital-intensive sector that is sensitive to macroeconomic risks. In the mediation mechanism, Earnings per Share is positively influenced by ROA and negatively influenced by CR, while DAR does not have a significant effect on EPS. Furthermore, EPS is proven to have a significant negative effect on stock returns, indicating that an increase in earnings per share does not automatically increase returns, but may be interpreted by the market as a signal of risk, discounted expectations, or limited growth prospects. Thus, EPS acts as a mediating variable that weakens the effect of financial ratios on stock returns. Theoretically, this study enriches

the literature by showing that EPS does not always strengthen the relationship between financial performance and stock returns, particularly in the property and real estate sector. Practically, the results emphasize the importance for investors to be cautious in interpreting financial ratios and EPS separately without considering sector context and risk structure. From a policy perspective, these findings can provide input for issuers and regulators in encouraging more contextual financial information transparency. Future research is suggested to include macroeconomic variables or market sentiment to expand the understanding of stock return dynamics across sectors.

REFERENCES

Ghozali, I. (2016). *Aplikasi analisis multivariate dengan program IBM SPSS 23*. Semarang: Badan Penerbit Universitas Diponegoro.

Hanafi, M. M., & Mamduh, M. H. (2016). *Manajemen keuangan*. Yogyakarta: BPFE.

Hertina, D., & Saudi, M. H. M. (2019). Stock return: Impact of return on asset, return on equity, debt to equity ratio and earning per share. *International Journal of Innovation, Creativity and Change*, 6(12), 93–104.

Hery, H. M. (2007). *Teori portofolio dan analisis investasi*. Yogyakarta: BPFE.

Kasmir. (2017). *Analisis laporan keuangan*. Jakarta: PT RajaGrafindo Persada.

Putra, A. G., & Arita, E. (2025). Pengaruh current ratio, debt to equity ratio, dan return on assets terhadap return saham (studi pada sektor energi yang terdaftar di Bursa Efek Indonesia tahun 2020–2024). *Journal of Business Economics and Management*, 2(1), 1845–1854.

Putri, W. K., Puspita, E., & Kurniawan, A. (2024). Pengaruh current ratio, debt to equity ratio, return on assets, dan earning per share terhadap return saham pada perusahaan sektor infrastruktur yang terdaftar di BEI periode 2020–2023. *Jurnal Riset Akuntansi & Keuangan*, 10(2), 246–259.

Sholikhah, M., & Kartadjumena, E. (2024). The effect of profitability ratio, leverage ratio, liquidity ratio and activity ratio on stock return with inflation as a moderating variable (study on stocks of companies actively listed in LQ-45 in the Indonesia Stock Exchange for the period 2018–2022). *International Journal of Economics Development Research*, 5(4), 3782–3807.

Siagian, A. O., Wijoyo, H., & Cahyono, Y. (2021). The effect of debt to asset ratio, return on equity, and current ratio on stock prices of pharmaceutical companies listed on the Indonesia Stock Exchange 2016–2019 period. In *Journal of World Conference (JWC)* (Vol. 3, No. 2, pp. 309–314).

Siregar, S. (2015). *Statistik parametrik untuk penelitian kuantitatif: Dilengkapi dengan perhitungan manual dan aplikasi SPSS versi 17*. Jakarta: PT Bumi Aksara.

Sodikin, S., & Wuldani, N. (2016). Pengaruh price earnings ratio (PER) dan earning per share (EPS) terhadap return saham (studi pada PT Unilever Indonesia Tbk). *Jurnal Ekonomi Manajemen*, 2(1), 18–25. https://doi.org/10.37058/jem.v2i1.309

Sugiyono. (2019). *Metode penelitian kuantitatif, kualitatif, dan R&D*. Bandung: CV Alfabeta.

Syam, M. R., & Lestari, W. D. (2024). The effect of DER and ROA on stock price with EPS as mediation in industrial companies. In *Proceeding ISETH (International Summit on Science, Technology, and Humanity)* (pp. 12–23). https://doi.org/10.23917/iseth.5298

Tandelin, E. (2001). *Analisis investasi dan manajemen portofolio*. Yogyakarta: BPFE.

Utami, T., & Hendaryan, D. (2024). The effect of return on asset and current ratio on stock returns. *Almana: Jurnal Manajemen dan Bisnis*, 8(3), 553–563. https://doi.org/10.36555/almana.v8i3.2715

Widiatmodjo, S. (2000). *Cara sehat investasi: Manajemen portofolio*. Yogyakarta: BPFE.

Wildawati, W., & Sulastiningsih, S. (2019). *Pengaruh laba akuntansi, arus kas operasi, ukuran (size) perusahaan terhadap return saham pada perusahaan LQ-45 yang terdaftar di Bursa Efek Indonesia periode 2013–2017* (Disertasi doktoral). STIE Widya Wiwaha.

Zaman, M. B. (2021). Influence of debt to total asset ratio (DAR), current ratio (CR), and total asset turnover (TATO) on return on asset (ROA) and its impact on stock prices on mining companies on the Indonesia Stock Exchange in 2008–2017. *Journal of Industrial Engineering & Management Research*, 2(1), 114–132. https://doi.org/10.7777/jiemar.v2i1.119