

V. CONCLUSION AND IMPLICATION

A. Conclusion

Some important points from the results of this study can be concluded as follows:

1. There is an effect of return on assets on stock returns of companies listed on the Indonesia Stock Exchange, Transportation Sub Sector.
2. There is no effect of return on equity on stock returns of companies listed on the Indonesia Stock Exchange in the Transportation Sub Sector
3. Inflation does not moderate the effect of return on assets on stock returns of companies listed on the Indonesia Stock Exchange, Transportation Sub Sector.
4. Inflation does not moderate the effect of return on equity on stock returns of companies listed on the Indonesia Stock Exchange in the Transportation Sub-Sector.

B. Implication

1. Theoretical Implication

The results of this study can contribute to the field of financial management science by proving the empirical truth of the Signaling theory and the Efficient Market Hypothesis regarding the effect of return on assets and return on equity with firm size as a control variable on stock returns with inflation as moderating as well as showing the weakness of the theory where there are heterogeneous beliefs. The stock price no

longer " fully "reflects "all available information because each investor has different information and expectations or expectations from a stimulus to reduce inflation rates.

2. Practical Implications

The results of this study provide input for stakeholders, especially potential investors and investors who want to know about the effect of return on assets on stock returns. In making investment decisions, the level of profitability becomes the main reference because it is empirically proven to affect stock returns.

3. Suggestion

Some suggestions from the results of this study include the following:

- a. For potential investors, what needs to be considered in making stock investment decisions must be based on heterogeneity beliefs, where not all investors have the same belief in return on equity information. However, they will tend to have homogeneous beliefs about the profitability of the company's return on assets. Therefore, the ratio assessment is necessary under any macro conditions.
- b. Further research can be done by summarizing the model into the effect of return on assets on stock returns because only these variables affect stock returns.