CHAPTER V

CONCLUSIONS, IMPLICATIONS, AND LIMITATIONS

A. Conclusions

Based on the results of the tests and discussions that have been carried out, the following conclusions can be obtained:

1. Return on Asset has no effect on stock return in LQ 45 Index companies on the Indonesia Stock Exchange for the 2016-2020 period.
2. Return on Asset affects the capital structure of LQ 45 Index companies on the Indonesia Stock Exchange for the 2016-2020 period.
3. Earning Per Share has no effect on stock return in LQ 45 Index companies on the Indonesia Stock Exchange for the 2016-2020 period.
4. Earning Per Share has no effect on the capital structure of the LQ 45 Index companies on the Indonesia Stock Exchange for the 2016-2020 period.
5. Capital structure has no effect on stock return in LQ 45 Index companies on the Indonesia Stock Exchange for the 2016-2020 period.
6. Return on Asset has no effect on the stock return through the capital structure of LQ 45 Index companies on the Indonesia Stock Exchange for the 2016-2020 period.
7. Earning Per Share has no effect on the stock return through the capital structure of the LQ 45 Index company on the Indonesia Stock Exchange for the 2016-2020 period.

B. Implication

The results of this study can be concluded that ratios such as return on asset, and earning per share in the company have no effect on stock return, while the debt to equity ratio only has an effect on stock return, while earning per share has no effect. This is because the debt to equity to ratio is the company's funding

That comes from debt, the debt can be used for operational costs to increase profits. This means that if the debt to equity ratio increases, the return on asset will also increase. The higher the debt to equity ratio, the greater the trust from outside parties because it allows the company's performance to increase with large capital, so the company's opportunity to get a profit level is also large. This shows that with the increasing debt of a company, the company's ability to generate profits will also increase so that the company can fulfill its obligations in paying debts.

In this study using intervening variables the effect of stock return on the stock return through the debt to equity ratio and earning per share on the stock return through the debt to equity ratio because there is an indication that there is a relationship between the dependent variable, namely return on asset and earning per share, independent variable stock return and intervening namely debt equity ratio. The results of this study conclude that the debt to equity ratio cannot mediate return on asset, and earning per share on stock return.

C. Research Limitation

1. The data in this study did not consist of 45 companies which are called the LQ 45 Index because the data used in this study used purposive sampling so, only 30 companies.
2. In the research process there is a change in the amount of data, which initially amounted to 150 data, decreased because there were outliers, to 59 data.

D. Suggestion

This research has been carried out with a mature plan and developed in such a way. However, the following needs to be improved:

1. Other variables that may impact the stock return are likely to be included in future studies. Because it is proven in this research, it shows that there are still variables that have no effect on stock return.
2. Further research is expected to be able to use research objects in other sectors such as banking, manufacturing, consumer, and so on.