The Effect of Capital Structure and Profitability of Stock Prices in a Registered Food and Beverage Company on the Indonesian Stock Exchange

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Abstract
The purpose of this study is to determine and analyze the significant effect of capital structure and profitability simultaneously or partially on stock prices in food and beverage companies listed in the Indonesia Stock Exchange and to determine and analyze the dominant variables of capital structure and profitability on stock prices.

This research is a research design with a quantitative approach. The research data used is secondary data in the form of financial ratio data, while the data source is obtained through the site http://www.idx.co.id. The population in this study were all food and beverage companies listed on the Indonesia Stock Exchange. The sampling technique used purposive sampling method so that the number of samples that could be taken was 14 companies. The data collection technique is through documentation, while the data analysis technique uses multiple linear regression models.

Based on the analysis results indicate that the independent variables, namely capital structure and profitability have a significant effect on stock prices in food and beverage companies listed on the Indonesia Stock Exchange. The partial test results show that the equity structure has a significant negative effect on stock prices in food and beverage companies listed on the Indonesia Stock Exchange. Profitability has a significant positive effect on stock prices in food and beverage companies listed on the Indonesia Stock Exchange. Profitability is a variable that has a dominant effect on stock prices in food and beverage companies listed on the Indonesia Stock Exchange.

Keywords: Capital Structure and Profitability, Stock Price, Indonesia Stock Exchange

1. Introduction
The capital market is an economic function to provide funds transfer facilities and a financial function to provide funds. Capital market efficiency is always associated with available information that can affect the price of securities in the capital market. An efficient capital market is a capital market in which the prices of securities reflect all information relevant to securities.

Some of the attractions of the capital market, namely; first, the capital market is expected to be an alternative to raising funds other than the banking system. Second, the capital market allows

investors to have various investment choices according to their risk preferences. In addition, the success of establishing a capital market is influenced by supply and demand. In general, the development of the capital market in Indonesia can be said to be quite rapid, this can be seen in several important indicators to see the development of the capital market, namely; (1) Composite Stock Price Index (IHSG), (2) Market capitalization value, (3) Average daily trading value, and (4) Portion of foreign investment and domestic investment trade.

The emergence of the Corona Virus or Covid-19 outbreak in Indonesia, the capital market experienced various challenges, especially at the beginning of 2019 until now it has experienced a decline due to the emergence of the corona virus outbreak. The outbreak of the corona virus or COVID-19 has rocked the domestic stock market and financial market, setting a new record. And resulted in the Composite Stock Price Index or (IHSG) plummeting and hitting a fairly low level. Based on information from Instagram @idx_channel, at the opening of stock trading session I (2/3), the JCI fell 0.7% or 38.8 points to a level of 5,413.8. From the research results of Shiyammurti, Anggraeni, and Syafira (2020). that the COVID-19 pandemic virus in Indonesia has reduced the Indonesian economy due to a decline inComposite Stock Price Index.

The movement of unit stock prices that occur on the stock exchange is a very interesting phenomenon for investors to carry out an analysis. Because a reasonable stock price movement will foster a confidence in investors in investing to buy or sell existing stocks. In general, the aim of investors to invest in securities is to obtain maximum returns at certain risks or to obtain certain results with minimal risk. Of course, these results are expected to be greater than the interest rate given by banks. In contrast to other investment activities, investment activities in securities carried out by investors also aim to increase their wealth in the future. Especially for securities in the form of ordinary shares, the increase in wealth obtained by investors comes from dividends and capital gains that may be obtained. For investors who depend on stock investment for their lives, the distribution of dividends is highly prioritized and expected compared to the expectation of capital gains.

Stock trading in the capital market is currently in a state of economy that has not yet recovered, of course it cannot be separated from the role of investors who carry out transactions in the capital market. However, investors do not just buy shares before making a good assessment of the issuer. One aspect that is used as an assessment material for investors is the issuer's ability to generate profits. Husnan (2014: 134) suggests that if the company's ability to generate profits increases, then the company's share price will also increase.

Stock prices built on the basis of fundamental variables mean stock prices based on the real conditions of companies that have a strong foundation. Shares of companies of this kind have a stronger and more stable intrinsic value. For companies that have relatively good fundamental strength, they will still be able to maintain the intrinsic value of their shares. This is different from companies whose stock prices are not built on good fundamental strength. The shares of these companies generally have difficulty maintaining their share price.

Fundamental strength can be seen from financial ratios that can be known periodically such as return on equity, return on investment, dividend payout ratio and other ratios. For companies that have strong fundamental conditions, these financial ratios will be quite meaningful to analyze. For technical strength, it can be in the form of sales volume of shares or if it is related to the number of shares traded, a trade turnover ratio will be obtained. Meanwhile, macroeconomic forces can be in the form of deposit interest rates, inflation rates and exchange rates. Meanwhile, to obtain this information, an analysis is needed in the form of fundamental analysis for fundamental information, technical analysis for technical information, and economic analysis for macroeconomic information.

Stock investors have an interest in information relating to the dynamics of stock prices in order to make decisions about stocks that are worth choosing. Jogiyanto (2012: 88) observes that stock prices as an indicator of company value will be influenced directly or indirectly by fundamental factors and technical factors. Basically, the value of a stock is determined by the fundamental condition of a company. Investors make the decision to invest their money by buying shares after considering the issuer's profit, sales growth and assets over a certain period of time. Besides that, the prospect of the company in the future is very important to consider. The indicators considered include Earning Per Share (EPS), Dividend Per Share (DPS), Book Value (BV), Return On Equity (ROE), Return On Assets (ROA) and others.

Based on these needs, researchers feel the need to examine the influence of several fundamental factors on stock prices, which are the objects of this research are companies engaged in the food and beverage sector in the manufacturing industry group on the Indonesia Stock Exchange. This is due to the fact that as one of the many companies faced with the reality of efficiency at this time, this food and beverage company has a very large contribution to the country's economy as a whole.

The average development of the capital structure as measured by the Debt to Equity Ratio (DER), profitability as measured by Return on Equity (ROE) and share prices in Food and Beverage companies listed on the Indonesia Stock Exchange for the 2018-2020 period is as follows:

Table 1.1
Development of Average DER, ROE and Stock Price at
Food and Beverage Companies on the IDX
Period 2018 - 2020

Year	Deb to Equity Ratio (%)	Return on Equity (%)	Share Price (Rp)
2018	62.62	12.85	4.560
2019	63.21	13.42	5.470
2020	58.44	15.74	5.341

Source: http/:www.idx.co.id 2021

Based on table 1.1, the debt to equity ratio fluctuates. In 2019 the debt to equity ratio decreased by 0.59%, while in 2020 it increased by 4.77%. Return on equity (profitability ratio) for two years has increased, namely in 2019 by 0.57% and in 2020 by 2.32%. The share price also fluctuated, namely in 2019 it rose by IDR 910 and in 2020 it decreased by IDR 129.

The problem that occurs in food and beverage companies on the IDX is that the debt to equity ratio, which is also the ratio of capital structure (debt structure), is relatively more than 50% so that companies will experience financial difficulties with a high debt burden that must be borne by the company. With this high debt burden, the company's profitability is not optimal as seen in the profitability (return on equity) which is still below 20% where ideally it should be above 20%. Likewise, the share price decreased at the end of the year due to large debts and low profits.

Based on the background, the problems in the research can be formulated as follows:
1. Does capital structure and profitability simultaneously have a significant effect on stock prices in food and beverage companies listed on the Indonesia Stock Exchange?
2. Does the capital structure and profitability have a significant effect partially on stock prices in food and beverage companies listed on the Indonesia Stock Exchange?
3. Which variables between capital structure and profitability have a dominant effect on stock prices in food and beverage companies listed on the Indonesia Stock Exchange?

2. Literature Review
2.1 Share
Shares are certificates that show proof of ownership of a company, and shareholders have claim rights to company income and assets (Rusdin, 2018: 84). Shares are proof of owning a company where the owner is referred to as a shareholder. (Samsul, 2016:21). Shares are also defined as a sign of participation or ownership of a person or entity in a company or limited liability company. The form of shares is a piece of paper that explains that the owner of the paper is the owner of the company that issued the securities. A share is a piece of paper that explains that the owner of the paper is the owner of a company that issues the shares, according to the portion of ownership listed on the shares (Sjahrial (2017:19).

The share price is proof that the ownership of the assets of the company that issued the shares. By owning shares of a company, an investor will have rights to the income and wealth of the company. Investors usually buy shares of a company that has good profitability which is useful for minimizing future losses (Tandelilin, 2017: 142). Share prices are a reflection of investment, funding and asset management decisions. The price of a type of stock is influenced by the company's performance and possible risks faced by the company and the company's performance is reflected in operating profit and net profit per share with several financial ratios that describe the strength of management in managing the company (Samsul, 2016: 26).

In the stock price approach on the IDX greatly influences the decisions of investors in terms of deciding on their investment, an investor needs clear information both individually and in groups. Given the movement of stock prices requires a lot of detailed identification and sources

of information. Especially at the closing share price, which is the last share price when it changed hands at the end of trading. The closing price may be the market price (Halim, 2015: 16).

In valuing stock prices, there are three types of values, namely: book value, market value and intrinsic value of shares. Book value is the value calculated based on the books of the issuing company (issuer). Market value is the value of shares in the market, which is indicated by the price of these shares in the market. While the intrinsic value or known as the theoretical value is the actual or supposed stock value.Stock price valuation aims to assess which stocks are the most profitable for investors. Stocks whose market price is lower than their intrinsic value (under price) are worth buying, whereas stocks whose market price is higher than their intrinsic value (over price) are not worth buying.

Stock valuation can be done through several models including the valuation model. The valuation model is a mechanism for changing a series of economic variables or company variables that are predicted (observed) into estimates of stock prices (Elton and Gruber, 2018: 444). The valuation model is intended to quantitatively assess benchmarks in evaluating current prices and expected prices in the future based on assumptions and fundamental factors.

2.2 Capital Structure
The capital structure is the balance between debt and own capital in the company's financial structure (Husnan, 2014: 82). A company must be able to provide sufficient capital when the company's operational activities increase and at the same time be able to overcome capital when the company's activities are decreasing. Capital can be obtained from the company's operations and from outside. Failure to obtain capital will hamper the company's operational activities. Rodoni and Nasaruddin (2018: 45), capital structure is something related to the company's permanent spending structure which consists of long-term debt and own capital.

Harjito and Martono (2018: 240) Capital structure is a comparison or balance of the company's long-term funding shown by a comparison of long-term debt and equity. Fulfilling the company's funding needs from its own capital comes from share capital, retained earnings, and reserves. If the company's funding from its own capital is still experiencing a shortage, it is necessary to consider funding from outside, namely debt. However, in meeting funding needs, companies must seek efficient funding alternatives. Efficient funding will occur if the company has an optimal capital structure.

Riyanto (2019: 296) capital structure is a balance between long-term debt and short-term debt with own capital. The capital structure is a reflection of the company's policy determining the type of securities used by the company to finance its assets. Meeting the company's funding needs from its own capital comes from share capital, retained earnings, and reserves. In this study the dependent variable is capital structure, namely the ratio between total debt and capital. According to Harjito and Martono (2018: 256) Capital structure can be measured using the Debt to Equity Ratio (DER). DER is calculated using the formula:

$$\textit{Debt to Equity Ratio} = \frac{\text{Total Debt}}{\text{Capital (Equity)}} \text{ x } 100\%$$

The components that make up the composition of the capital structure consist of long-term and short-term debt, ordinary shares, preferred shares and retained earnings. According to Riyanto (2019: 238) long-term debt is long-term debt, generally more than ten years. This long-term debt is generally used to finance company expansion or modernization of the company.Own Capital is capital that comes from the owner of the company and is embedded in the company for a certain period of time (Riyanto, 2019: 240). Own capital comes from internal and external sources, internal sources come from profits generated by the company in the form of retained earnings, while external sources come from capital that comes from company owners.

According to Warsono (2018: 238) that determining the capital structure for a company is an important form of financial decision, because this decision can affect the achievement of the goals of the company's financial management. The main objective of capital structure management is to create a mix or combination of sources of permanent spending, so as to maximize the company's share price. Riyanto (2019: 293) states that in finding an optimal capital structure, it is necessary to base it on conservative financial structure rules. In the rules of the vertical conservative financial structure, requires that the company under no circumstances have a large amount of debt than the amount of its own capital, or in other words the level of debt is not greater than 50%, so that the guaranteed capital (debt) is not greater than the capital to be collateral (own capital).

In order to achieve the objective of capital structure management, the mechanism that can be used is to create a mix of expenditures so as to minimize the cost of capital and maximize the value of the company. Therefore, it is necessary to strive for an optimal balance between debt and own capital.

2.3 Profitability
Profitability is the ability of a company to earn profits or gains in a certain period. Husnan (2019: 201) that profitability is the ability of a company to generate profits at a certain level of sales, assets and share capital. Kasmir (2017: 196) profitability is a ratio to assess a company's ability to make a profit. This ratio also provides a measure of the level of management effectiveness of a company. Harahap (2018: 302) profitability describes a company's ability to earn profits through all existing capabilities and sources.

Companies with high levels of profitability will use more internal funds than companies with low profitability. With high retained earnings, companies will be more likely to use retained earnings before using debt. As explained in the pecking order theory, companies that have higher profit levels actually have lower debt levels. Because companies prefer funding from within (retained earnings) compared to funding from outside the company (Brigham and Houston, 2017: 278).

Profitability in this study is measured by Return on Equity (ROE). Return on Equity relates net income to total equity (capital) which measures the level of profitability of the company for the use of its capital. Return on Equity is a ratio to measure the ability to generate profits from the total capital used (Riyanto, 2019: 202). The greater the value of ROE means that the better the company uses its capital to make a profit. This makes investors interested in buying company shares and has an impact on increasing stock prices and is followed by a high rate of return on stock returns. The profit used to measure this ratio is net profit after tax (EAT = Earning After Tax). ROE is expressed by:

$$Return\ on\ Equity = \frac{\text{Profit After Tax}}{\text{Total Assets}}\ \text{x}\ 100\%$$

3. Research Methodology

This research is a type of correlational research using a quantitative approach. This research was conducted at Food and Beverage companies listed on the Indonesia Stock Exchange for the 2018-2020 period.

Operational Definition of Research Variables
Capital structure (X_1), is a comparison or balance of the company's long-term funding shown by the ratio of long-term debt to equity. Capital Structure can be measured using the Debt To Equity Ratio (DER). DER is calculated using the formula:

$$Debt\ to\ Equity\ Ratio = \frac{\text{Total Debt}}{\text{Capital (Equity)}}\ \text{x}\ 100\%$$

Profitability (X_2), is a ratio to assess the company's ability to make a profit. This ratio also provides a measure of the effectiveness of a company's management. Company profitability is measured using a Return on Equity (ROE) proxy with the following formula:

$$Return\ on\ Equity = \frac{\text{Profit After Tax}}{\text{Capital (Equity)}}\ \text{x}\ 100\%$$

Share Price (Y), namely the price of securities (common shares) that are traded on the Capital Market (Indonesian Stock Exchange). The share price in this study uses the Market Price which is the price of a share in the ongoing market or if the market is closed (Closing Price), this market price states the ups and downs of a stock and is announced every day. The share price in this study is measured based on the closing share price at the end of 31 December 2018-2020.

The population in this study were all food and beverage companies listed on the Indonesia Stock Exchange for the 2018-2020 period, totaling 26. The sampling technique used in this study was purposive sampling, namely groups of objects taken based on the following criteria: (a). The company publishes audited financial statements during the research period (2018-2020). (b). The company earned profit for the year during the observation period (2018-2020). (c). Companies

that have complete financial report data according to research variables (2018-2020).

Based on these criteria, the samples in this study were obtained as many as 14 samples, so that the number of n or observations was 42 (14x3 years). Data were analyzed using Multiple Linear Regression Y = Y=α + $\beta_1 X_1$+$\beta_2 X_2$+ ε. The model used in the researchHS=α + β_1DER + β_2ROE + ε

4. Research Results

The following is a list of sample companies that have been selected according to purposive sampling criteria:

Table 4.1
List of Company Names According to the Criteria

No.	Code	Company name
1.	AISA	PT. Tiga Pilar Sejahtera Food Tbk
2.	ALTO	PT. Tri Bayan Tirta Tbk
3.	CEKA	PT. Wilmar Cahaya Indonesia Tbk
4.	DLTA	PT. Delta Djakarta Tbk
5.	ICBP	PT. IndofoodCBP Suskses Makmur Tbk
6.	INDF	PT. Indofood Sukses Makmur Tbk
7.	MLBI	PT. Multi Bintang Indonesia Tbk
8.	MYOR	PT. Mayora Indah Tbk
9.	PSDN	PT. Prashida Aneka Niaga Tbk
10.	ROTI	PT. Nippon Indosari Corporindo Tbk
11.	SKBM	PT. Sekar Bumi Tbk
12.	SKLT	PT. Sekar Laut Tbk
13.	STTP	PT. Siantar Top Tbk
14.	ULTJ	PT. Ultrajaya Milk Industry Tbk

Source: Data processed fromwww.idx.co.id

4.1 Descriptive Statistics
In the following, an overview of the descriptive statistics of each variable used in this study is presented.

Table 4.2
Descriptive Statistics

Financial Ratios	N	Minimum	Maximum	Mean	Std.Deviation
Debt to Equity Ratio (DER)	42	0.17	2.12	0.9455	0.52976
Return on Assets (ROA)	42	9.71	52.67	8.7733	11.94443
Share Price (HS)	42	4.90	9.52	7.4260	1.24686

Stock price

Based on Table 4.2, the share price can be calculated based on the nominal share price at the closing price (end of the December 31 period). The higher the stock price, the better the performance of food and beverage companies listed on the Indonesia Stock Exchange. The average share price of food and beverage companies is 7.4260 with a standard deviation of 1.24686. While the highest share price was 9.52 and the lowest was 4.90. When viewed from an average value of 7.4260, it means that the company is quite capable of maintaining balance in managing the company. If the maximum value and minimum value are added up and then divided by two, the result is slightly below the average value. So in the future food and beverage companies must maintain their performance and always be careful in managing their company. Stock prices during the observation period (2018-2020) show that the standard deviation value is smaller than the average stock price which indicates good results, meaning that the data is normally distributed because the standard deviation which reflects deviations from the variable data is relatively low because it is smaller from the average value.

Debt to Equity Ratio (DER)

Based on Table 4.2, the capital structure proxied by the debt to equity ratio (DER) can be calculated by comparing the amount of debt to the amount of equity. The lower the debt to equity ratio, the better the performance of food and beverage companies listed on the Indonesia Stock Exchange. The average variable debt to equity ratio for food and beverage companies is 0.9455 (94.55%) with a standard deviation of 0.52976. Meanwhile, the highest debt to equity ratio is 2.12 (212%) and the lowest is 0.17 (17%). With an average value of 0.9455 (94.55%), it means that the company is unable to guarantee its debts with total assets owned because the value is above 90%. If the maximum and minimum values are added up and divided by two, the result is above the average value, which means that the company will experience difficulties in the future. The higher the debt to equity ratio, the higher the financial risk faced by the company because debt carries the consequence of fixed interest expenses, which can reduce the company's profits. The debt to equity ratio during the observation period (2018-2020) shows that the standard deviation value is smaller than the average debt to equity ratio which indicates good results, meaning that the data is normally distributed because the standard deviation reflects the relative deviation of the variable data. low because it is smaller than the average value.

Return on Assets (ROA)

Based on Table 4.2, proximate profitability by return on assets (ROA) can be calculated by comparing net profit after tax with total assets. The higher the return on assets, the better the performance of food and beverage companies listed on the Indonesia Stock Exchange. The average return on assets (ROA) of food and beverage companies is 8.7733 with a standard deviation of 11.94443. Meanwhile, the highest return on assets was 52.67 and the lowest was 9.71. When viewed from an average value of 8.7733, it means that the company is quite capable of managing its assets to generate profits, although not that big. The company also still faces relatively small risks when viewed from the maximum and minimum values. If the maximum value and minimum value are added up and then divided by two, the result is above the average value. So in the future food and beverage companies must maintain this ratio and always be

careful in managing their assets and need to make efficiency. By implementing this efficiency, the company is expected to be able to increase its profits, because the higher the return on assets, the better the condition of the company. Return on assets during the observation period (2018-2020) shows that the standard deviation value is greater than the average return on assets which indicates unfavorable results, meaning that the data has not been normally distributed because the standard deviation reflects the relative deviation of the variable data. high because it is greater than the average value.

4.2 Analysis of Regression Results

Regression analysis in this study was carried out with the aim of analyzing the effect of the Debt to Equity Ratio and Return on Assets on stock prices in food and beverage companies listed on the Indonesia Stock Exchange. This calculation is performed to determine the relative contribution of each independent variable (Debt to Equity Ratio and Return on Assets) in explaining its effect on the dependent variable (stock price). The results of multiple regression with a significance or probability of <0.05 can be seen in table 4.3 below.

Table 4.3
Multiple Regression Results

Variable	Regression Coefficient	Beta Coefficient	t count	Sig t	Partial Correlation
Const.	7.591		24.894	0.000	
DER	-0.776	-0.330	-2.992	0.005	0.432
ROA	0.065	0.621	5.631	0.000	0.670

Based on the results of multiple linear regression analysis in table 4.3, the mathematical multiple linear regression equation is HS = 7,591 -0,776 (DER) + 0,065 (ROA) + e
Persamaan regresi tersebut dapat dijelaskan sebagai berikut:
1. The constant (a) of 7.591 indicates the average share price of food and beverage companies listed on the Indonesia Stock Exchange if the debt to equity ratio and return on assets are constant or equal to zero.
2. The regression coefficient of Debt to Equity Ratio (β_1) is -0.776 with a significant level of 0.005 less than $\alpha = 0.05$ which indicates that the Debt to Equity Ratio has a significant negative effect on stock prices. This means that an increase in the debt to equity ratio will decrease the stock price and vice versa assuming other variables are constant.
3. The regression coefficient of Return on Assets (β_2) is 0.065 with a significant level of 0.000 less than $\alpha = 0.05$ which indicates that Return on Assets has a significant positive effect on stock prices. This means that increasing Return on Assets will increase stock prices and vice versa assuming other variables are constant.

4.3 Simultaneous Test Results (Test F)

The test results with n = 42 indicate that the independent variables debt to equity ratio and return on assets have a significant effect on the stock prices of food and beverage companies listed on the Indonesia Stock Exchange.

Table 4.4
F Test Results (Simultaneous Test)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	33.783	2	16.891	21.990	.000ᵃ
Residual	29.958	39	.768		
Total	63.741	41			

Based on Table 4.4, the calculated F value is 21.990 with a significance value of 0.000. Because the significance value is less than 0.000 ($\alpha<0.05$), it means that the variable debt to equity ratio and return on assets simultaneously affect the stock price of food and beverage companies listed on the Indonesia Stock Exchange.

4.4 Partial Test Results (t test)
Partial testing in research uses the t test with the aim of knowing whether the independent variables partially have a significant effect or not on the dependent variable. The degree of significance used is 0.05.

Table 4.5
t test results (partial test)

Variable	t count	Sig. t	Conclusion
Return on Assets (ROA)	-2,992	0,005	Significant
Debt to Equity Ratio (DER)	5,631	0,000	Significant

Based on Table 4.5, the partial t-test results show that the Debt to Equity Ratio variable has a significant effect on the stock prices of food and beverage companies listed on the Indonesia Stock Exchange, the t-count is -2.992 with a significance value of 0.005, because the t-significance value of 0.005 is smaller than 0.05 (0.005 <0.05).

Partially the return on assets variable has a significant effect on the stock prices of food and beverage companies listed on the Indonesia Stock Exchange, the t count is 5.631 with a significance value of 0.000, because the t significance value is 0.000 which is less than 0.05 (0.000 < 0, 05).

4.5 Dominant Test Results
Based on the results of the partial test, the variable profitability proxied by return on assets (ROA) is the dominant variable influencing the stock prices of food and beverage companies listed on the Indonesia Stock Exchange. This is indicated by the highest beta regression coefficient value (0.621) or having the largest t value (5.631) when compared to the regression coefficient and t calculated capital structure variable proxied by the debt to equity ratio (DER).

4.6 Determination Test (R₂)

The coefficient of determination or R-square shows the percentage of how much influence the independent variables have on the dependent variable.

Table 4.6
Results Coefficient Determination R^2 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.728[a]	0.530	0.506	0.87644

Based on table 4.6 the R square value is 0.530 or 53%, meaning that the independent variables (debt to equity ratio and return on assets) are able to explain the dependent variable (stock price) of 53% or in other words the variation in the value of the dependent variable (stock price) is determined by the variation in the value of the independent variable is 53%, while the remaining 47% is explained or influenced by other variables not included in this model.

5. Discussion

Shares are a sign of participation or ownership of a person or entity in a company or limited liability company. The form of shares is a piece of paper which explains that the owner of the paper is the owner of the company that issued the securities (Martalena, 2017:47). In the stock price approach on the IDX greatly influences the decisions of investors in terms of deciding on their investment, an investor needs clear information both individually and as a group. Given the movement of many stock prices require detailed identification and sources of information, especially on the closing stock price, which is the last stock price when it changes hands at the end of trading. The closing price will probably be the market price (Halim, 2015:16).

The share price is the current buying and selling price in the securities market which is determined by market forces in the sense that it depends on the strength of demand (supply) and supply (selling demand). The stock market price also shows the value of the company itself. The factors that affect stock prices are profitability proxied by return on assets, leverage proxied by the debt to equity ratio, and company size proxied by the value of total assets. Return on assets is the ratio used to measure the extent to which company assets are managed to generate profits (Kasmir, 2016: 79). The debt to equity ratio is the ratio used to measure the extent to which a company's assets are financed with debt (Kasmir, 2016: 79). Company size is the scale of the company as seen from the company's total assets at the end of the year. Total sales can also be used to measure the size of the company (Hanafi, 2014: 105).

The capital structure variable has a negative effect on the stock prices of food and beverage companies listed on the Indonesia Stock Exchange. This means that an increase in capital structure will reduce share prices and conversely that a decrease in capital structure will be able to increase share prices. Every use of debt (financial leverage) by the company will affect the risk and return. This debt ratio can be used to see how big the company's financial risk is (financial risk). If a company's leverage is high, it will have an impact on the lower price of a

company, because debt repayments will be paid with the profits earned by the company concerned. This means that leverage in research can be used as a basis for determining the ups and downs of stock prices.

The Debt to Equity Ratio (DER) illustrates the existence of an attachment between the amount of long-term debt provided by creditors compared to the amount of own capital owned by the company owner (Syamsuddin, 2017: 54). To find out how high the industry has working capital accompanied by the ability to manage it effectively is measured using the Debt to Equity Ratio (DER). A high debt to equity ratio will affect the company's high profits (Brigham and Houston, 2017: 143). If profits increase, the stock price also increases. The problem that occurs is the company has high working capital followed by the power to manage the company effectively. Companies in raising new capital that prefer to use new debt will be considered to have very profitable prospects (Brigham and Houston, 2017: 185). This positive opinion is owned by current shareholders.

The profitability variable has a significant positive effect on stock prices, meaning that the higher the company's profitability, the higher the stock price of food and beverage companies listed on the Indonesia Stock Exchange. This means that profitability can be used as a basis for determining the rise and fall of stock prices. Return on assets is used to assess the ability of capital invested in the total assets owned as a profit-generating tool to see how far the company's performance is. High company performance can be reflected in the greater rate of return on assets in the company. The strength of the company in generating high profits means that the company has high performance so that it can increase stock prices. The greater the company's strength in getting profits, the thing that must be done is to return the company's assets to the large as well. A large return on company assets is a factor in investor interest in buying shares of the company in question, automatically the company's share price has skyrocketed in the market.

A low rate of return on assets does not always mean bad because it could be the result of policies that are deliberately taken to use large amounts of debt (Brigham and Houston, 2011: 148). Automatically, this factor results in high interest expense which makes the net profit smaller. Observers must be more careful in assessing company performance based on return on assets. They have to look at and observe the situation as a whole in order to overcome possible losses by interpreting other ratios.

The stock price is the price that is formed from the interaction between the seller and the buyer of shares based on their expectations of the company's profits. Share prices can be influenced by the company's capital structure and profitability. Based on the results of the analysis, it shows that the capital structure proxied by the debt to equity ratio has a negative effect on stock prices, meaning that the greater the capital structure (debt) of a company, the stock price will fall and vice versa. Based on the results of the analysis, it shows that profitability proxied by return on assets has a positive effect on stock prices, meaning that the greater the company's profitability, the higher the stock price. Therefore, companies need to pay more attention to the composition of the debt itself, if the debt composition is excessive, there will be a decrease in company value

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and the biggest risk in using large debt is if the company is unable to fulfill these debt obligations so that it will have an impact on company liquidity and ultimately will result in bankruptcy.

Based on data on the capital structure of food and beverage companies on the IDX, it is considered unhealthy because they are above the industry standard, which means they are not in a healthy condition. For this reason, companies should reduce debt, which will impact the company's risk in running its business. Likewise with profitability, although it is already good for food and beverage companies on the IDX, the company should further increase company profits and optimize the capital used so that the company can grow every year.

6. Conclusion
1. The results of the simultaneous test show that the independent variables, namely capital structure and profitability, have a significant effect on stock prices in food and beverage companies listed on the Indonesia Stock Exchange.
2. The partial test results show that the capital structure has a significant negative effect on stock prices in food and beverage companies listed on the Indonesia Stock Exchange. Profitability has a significant positive effect on stock prices in food and beverage companies listed on the Indonesia Stock Exchange.
3. Profitability is a variable that has a dominant influence on stock prices in food and beverage companies listed on the Indonesia Stock Exchange.

7. Recommendation
For investors, even though the capital structure proxied by debt to equity ratio (DER) and profitability proxied by return on assets (ROA) simultaneously have a significant effect on stock prices, investors need to pay attention to other factors or ratios that can affect stock prices.

Management of food and beverage companies listed on the IDX should pay attention to the debt to equity ratio (DER) and return on assets (ROA) because these two variables are considered by investors in making decisions to buy shares. Stocks that are in great demand by investors will of course increase the value of the company (in this case increasing share prices), namely as a source of company funds from the capital side, so that companies can have sufficient funds to carry out company activities to increase profits.

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