

## CHAPTER IV

### RESULT

#### 4.1 Research Result

##### 4.1.1 Research Data

In this research, we use secondary data. Sekaran on 2003 claimed that secondary data is the information collected by other than the researcher, such as company publication and web. Secondary data used in this research is the annual report of food industry in Indonesia Stock Exchange and Taiwan Stock Exchange from 2015 to 2017.

**Table 4.1 Sampling Criteria**

Total Number of Food Industry Companies listed on IDX and TWSE on 2015	32
Companies that do not issue the financial statement between 2015 to 2017	0
Companies that do not listed in annual report	10
Companies entering in the selection of sample criteria	22
Total of Samples x 3 years (22 x 3)	66

In Table 4.1, it shows the total number of food industry companies listed in Indonesia Stock Exchange and Taiwan Stock Exchange on 2015 are 32 companies, the companies that do not issue the financial statement 0 and the companies that do not listed in annual report are 10 companies, so the companies that entered in the selection of sample criteria are 22 companies.

## 4.1.2 Data Analysis

### 4.1.2.1 Descriptive Analysis Result

The effect of Current Ratio and Debt Ratio will be reviewed regarding the description of the research variables by Descriptive Analysis. Below is the result of Descriptive Analysis.

**Table 4.2 Descriptive Statistics**

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Current Ratio	66	.58	8.64	2.36	1.55
Debt Ratio	66	.15	.64	.39	.14
Return on Assets	66	.34	49.47	10.95	8.82
Price Earning Ratio	66	8.51	60.77	22.58	9.81
Valid N (listwise)	66				

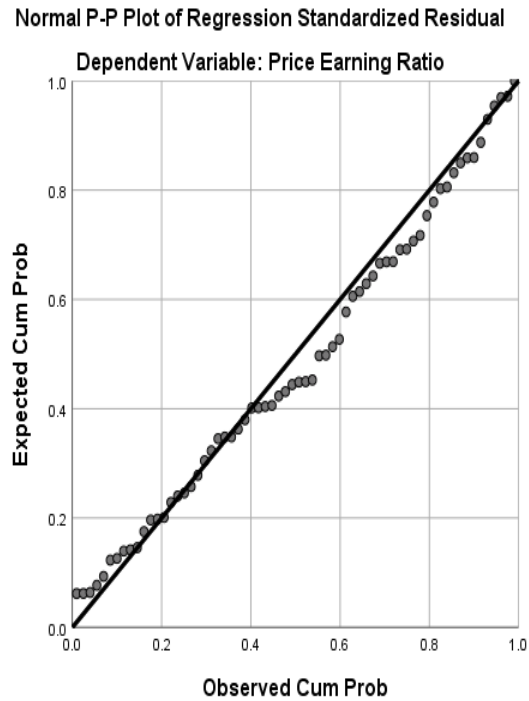
Based on the Table 4.2, the *mean* of the Price Earning Ratio is 22,58 with *maximum* is 60,77 and the *minimum* is 8,51. The *mean* of Current Ratio is 2,36 which mean the average of the companies can pay off its short term liabilities with its current assets by 2,36 of its total assets. The *maximum* of Current Ratio is 8,64 from total assets and the *minimum* is 0,58 from total asset. The *mean* of Debt Ratio is 0,39 which mean the companies can pay off the obligations when the company is liquidated by 0,39. The *maximum* of Debt Ratio is 0,64 and the *minimum* is 0,15. The *mean* of Return on Assets is 10,95, the *maximum* is 49,47 and the *minimum* is 8,51.

## 4.1.3 Classical Assumption Test Result

### 4.1.3.1 Normality Test

This research uses normal probability plot to show the normality of the sample, and below is the normal probability plot of this research.

**Image 4.1 Normal P-Plot**



Based on the Image 4.4 above, normal P-Plot in this research shows the points are cluster around the horizontal line, which mean the data is normally distributed.

**Table 4.3 Kolmogorov Smirnov Test**

One-Sample Kolmogorov-Smirnov Test			
		Unstandardized Residual	
N		66	
Normal Parameters <sup>a,b</sup>	Mean	.00	
	Std. Deviation	9.25	
	Most Extreme Differences	Absolute	.094
		Positive	.094
		Negative	-.057
Test Statistic		.094	
Asymp. Sig. (2-tailed)		.200 <sup>c,d</sup>	

Based on the Table 4.3, it shows that the Kolmogorov-Smirnov is 0,94 with the significant 0,200>0,05 which mean the residual data is normally distributed.

#### 4.1.3.2 Autocorrelation Test

Autocorrelation is to test if there correlation between the observation's sample based on the *time series*, and it can be detect by Durbin Watson Test which is if  $dU < DW < (4-dU)$  that is mean there are no autocorrelation.

**Table 4.4 Output of Durbin Watson**

Durbin-Watson
1.524

Table 4.4 shows that Durbin Watson is 1,524. There are 3 independent variable (k=3) and 66 samples (n=66). Based on the D-W table with significance 5%, dU in this research is 1,6898 and it can be formulated to  $dU < DW < (4-dU) = 1,5079 < 1,524 < 2,3026$  which mean there are no autocorrelation in the independent variables of this research.

#### 4.1.3.3 Multicollinearity Test

Multicollinearity Test is to show if there are correlation between independent variables based on the tolerance value and VIF. If the tolerance value  $< 0,10$  and  $VIF > 10$  that is mean there are multicollinearity in the variables, meanwhile if the tolerance value  $> 0,10$  and  $VIF < 10$  that is mean there are no multicollinearity in the variable. Below is the result of multicollinearity test.

**Table 4.5 Multicollinearity Test**

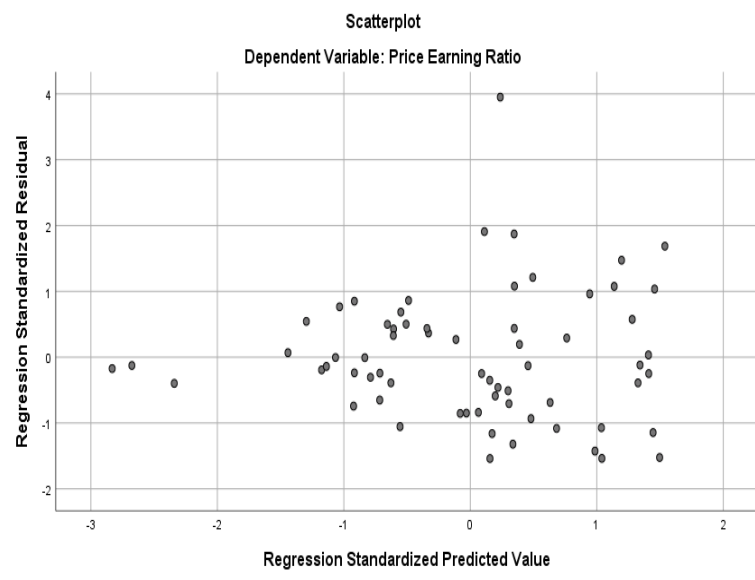
Coefficients <sup>a</sup>			
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Current Ratio	.576	1.736
	Debt Ratio	.583	1.716
	Return on Assets	.964	1.037

Based on the result of Multicollinearity test, the tolerance value of Current Ratio (CR) is  $0,576 > 0,10$  with VIF  $1,736 < 10$ , Debt Ratio (DR) is  $0,583 > 0,10$  with VIF  $1,716 < 10$  and Return on Assets (ROA) is  $0,964 > 0,10$  with VIF  $1,037 < 10$  which means there are no multicollinearity in the Current Ratio (CR), Debt Ratio (DR) and Return on Assets (ROA).

#### 4.1.3.4 Heteroscedasticity Test

Heteroscedasticity test will show if the regression model occurs inequality of variance from the one to another residual observer (Ghozali, 2013). Below is the result of heteroscedasticity test.

**Image 4.2 Scatter plot**



Based on the Image 4.2 Scatterplot above, the point did not show any shape and pattern which means there are no heteroscedasticity in the regression model.

#### 4.1.4 Test of Hypothesis Result

##### 4.1.4.1 $R^2$ Test Result

$R^2$  test shows how well independent variables affected the dependent variable.

Below is the result of  $R^2$  Test.

**Table 4.6 R<sup>2</sup> Test**

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.335 <sup>a</sup>	.112	.069	9.46720

Based on the Table 4.6, the R<sup>2</sup> value in this research is 0,112 which means the independent variables or Current Ratio (CR), Debt Ratio (DR) and Return on Assets (ROA) are affected the dependent variable or Company's Value by 11,2%. Meanwhile the 88,8% is affected by the other variables.

#### 4.1.4.2 F – Test Result

F – Test shows that if all the independent variable in the research affected the dependent variable. If the significance more than 0,05 and F test > F table , that is mean all the independent variable affected the dependent variable, and if the significance less than 0,05 and F test < F table , that is mean all the independent variable are not affected the dependent variable (Ghozali , 2012). There are 3 independent variable (k=3) and 66 samples (n=66). Based on the F table with significance 5%, the F table in this research is 2,75. Below is the result of the F – Test.

**Table 4.7 F-Test**

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	703.088	3	234.363	2.615	.059 <sup>b</sup>
	Residual	5556.929	62	89.628		
	Total	6260.018	65			
a. Dependent Variable: Price Earning Ratio						
b. Predictors: (Constant), Return on Assets, Debt Ratio, Current Ratio						

Based on the Table 4.7, F value of the independent variables is 2,615<2,75 and the significance is 0,059>0,05 which means there are no simultaneous effect of

Current Ratio (CR), Debt Ratio (DR) and Return on Assets (ROA) on Company's Value.

#### 4.1.4.3 t – Test Result

t – Test shows if one independent variable individually affected the dependent variable (Ghozali , 2012). If the significance more than 0,05 and t value > t table , that is mean variable X affected the variable Y, and if the significance less than 0,05 and t value < t table , that is mean variable X are not affected the variable Y. There are 3 independent variable (k=3) and 66 samples (n=66). Based on the t table with significance 5%, the t table in this research is 1,99897.

**Table 4.8 t - Test**

Coefficients <sup>a</sup>								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	9.576	6.002		1.595	.116		
	Current Ratio	1.702	.999	.269	1.704	.093	.576	1.736
	Debt Ratio	28.111	10.679	.413	2.632	.011	.583	1.716
	Return on Assets	-.181	.136	-.163	-1.338	.186	.964	1.037

a. Dependent Variable: Price Earning Ratio

Based on the Table 4.8, constant value is 9,576 , Current Ratio (CR) value is 1,702 , Debt Ratio (DR) value is 28,111 and Return on Assets (ROA) value is - 0,181 and it can be used to the research model :

$$PER = 9,576 + 1,702CR + 28,111DR - 0,181ROA + \varepsilon$$

Based on the model above, it can be interpreted as follows :

1. Constant Coefficient is 9,576 which mean Company's value (PER) will be 9,576 if the value of Current Ratio (CR), Debt Ratio (DR) and Return on Assets (ROA) is 0.
2. Coefficient Regression of Current Ratio (CR) is 1,702. The positive value of the coefficient regression shows that the Current Ratio (CR) is affected the company's value.
3. Coefficient Regression of Debt Ratio (DR) is 28,111. The positive value of the coefficient regression shows that the Debt Ratio (DR) is affected the company's value.
4. Coefficient Regression of Return on Assets (ROA) is -0,181. The negative value of the coefficient regression shows that the Return on Assets (ROA) is not affected the company's value.

#### **4.2 Hypothesis Result**

In Literature Review, there are 3 hypothesis uses in this research, and the result of the hypothesis are as follows :

1. Hypothesis 1 : The Effect of Current Ratio (CR) on Company's Value of Food Industry Companies listed in Indonesia Stock Market (IDX) and Taiwan Stock Market (TWSE)

Table 4.6 shows that the t – Test result of Current Ratio (CR) is  $t \text{ value} < t \text{ table} = 1,595 < 1,99897$  and the significance is  $0,093 > 0,05$  which means : “There is no significant effect of Current Ratio (CR) on Company's Value of Food Industry Companies listed in Indonesia Stock Market (IDX) and Taiwan Stock Market (TWSE)”. The result is  $H_{01}$  accepted and  $H_{a1}$  rejected.

2. Hypothesis 2 : The Effect of Debt Ratio (DR) on Company's Value of Food Industry Companies listed in Indonesia Stock Market (IDX) and Taiwan Stock Market (TWSE)



Table 4.6 shows that the t – Test result of Debt Ratio (DR) is  $t \text{ value} > t \text{ table} = 2,632 > 1,99897$  and the significance is  $0,011 < 0,05$  which means : “There is a significant effect of Debt Ratio (DR) on Company’s Value of Food Industry Companies listed in Indonesia Stock Market (IDX) and Taiwan Stock Market (TWSE)”. The result is  $H_{a2}$  accepted and  $H_{02}$  rejected.

3. Hypothesis 3 : The Effect of Return on Assets on Company’s Value of Food Industry Companies listed in Indonesia Stock Market and Taiwan Stock Market

Table 4.6 shows that the t – Test result of Return on Assets (ROA) is  $t \text{ value} < t \text{ table} = -1,338 < 1,99897$  and the significance is  $0,186 > 0,05$  which means : “There is no significant effect of Return on Assets (ROA) on Company’s Value of Food Industry Companies listed in Indonesia Stock Market (IDX) and Taiwan Stock Market (TWSE)”. The result is  $H_{03}$  accepted and  $H_{a3}$  rejected