

The Influence of Financial Ratio, Green Accounting, and Corporate Social Responsibility on Stock Prices

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Abstract

Purpose – This study aims to determine the effect of Return on Equity, Current Ratio, Green Accounting, and Corporate Social Responsibility on Stock Prices in manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the period 2020 - 2023.

Design/methodology/approach – This study uses a quantitative approach with data sources obtained from financial reports and corporate sustainability reports. The sample selection used purposive sampling technique, and obtained a sample of 20 manufacturing companies which were then tested using multiple linear regression.

Findings – The results showed that Return on Equity has a positive and significant effect on stock prices, while Current Ratio, Green Accounting, and Corporate Social Responsibility have no effect on stock prices.

Research limitations/implications – This study only obtained a percentage of influence which was 35% based on the coefficient of determination test, so that the other 65% was influenced by other variables and the scope of research which was only on manufacturing companies.

INTRODUCTION

The increasingly complex and dynamic development of the global economy requires companies to be less focused on financial performance, but also on environmental and social aspects. Financial ratios have long been used as indicators of a company's financial health, which can influence investment decisions and stock prices. Investor decisions are always based on industry analysis and fundamental analysis using a company's financial statements. (Dayanti et al., 2024). Accounting information contained in a company's financial statements plays a big role for investors in evaluating company performance. According to Agnihotri & Arora (2021), one of the most useful ways is through financial ratio analysis, which is used as a tool to assess investment potential.

The rise of environmental pollution caused by company operations such as by the manufacturing industry sector which is the main contributor to SO₂ emissions, which is 2,631 tons per year or 61.9%. As a result, air pollution is getting worse and of course this is very dangerous because air (O₂) is the main component needed by living things, this has resulted in severe air pollution, especially in DKI Jakarta (CNBC, 2023). This condition can be one of the

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reasons for the need to consider environmental and social aspects of company operations such as implementation of green accounting and corporate social responsibility (CSR) concepts. The companies that implement concepts on green accounting and CSR will get added value in attracting investors to invest.

According to Hidayat & Sugeng (2020) Return On Equity is a profitability ratio utilized to measure the amount of profit generated from shareholders' equity. ROE also illustrates how much of the capital that will be invested in providing profit on each investment that will be made later (Hermanto & Ibrahim, 2020). According to investors, ROE is an important indicator in assessing the company's future prospects, the greater the ROE value, the smaller the investment risk. In the research undertaken by Musfiro & Yuniati (2020) explained that ROE has a significant effect on stock prices. In other research by Saputra (2023), it actually produces contradictory results, namely concluding that Return On Equity (ROE) partially has no effect and is insignificant to the Stock Price.

Current Ratio (CR) is one of the liquidity ratios used to measure the company's ability to pay obligations that will mature when billed as a whole and measure how many current assets the company has to cover its short-term liabilities (Aryani et al., 2024). Arihta et al. (2020) explained that Current Ratio (CR) is one company asset that may be liquidized in a short period of time. The more the Current Ratio increases, This can be a positive effect for company owners because it illustrates the company can pay off its obligations well. In the research undertaken by Maulana (2023) obtained a result showing that Current Ratio (CR) has a significant effect on stock prices. In contrast to research conducted by Meilani et al. (2023) which found that CR partially has no effect on Stock Price.

According to Aminuddin et al. (2023) Green Accounting focuses on economic activities that prioritize environmental sustainability and take into account social and environmental considerations. Indonesia, as a country committed to environmental protection, has regulations such as Law No. 23 of 1997 concerning Environmental Management. This law mandates that all individuals or businesses engaged in activities must maintain, manage, and provide accurate and truthful information about the environment. The concept of Green Accounting involves allocating company resources to enhance environmental performance (Wijaya & Machdar, 2022). Environmental costs are an effort to prevent damage of the environment due to the company's operations. In the research undertaken by Aminuddin et al. (2023) and Elisabeth & Maria (2022) found that green accounting has a significant effect on stock prices. However, it is inversely proportional to research by Liu (2023) and Wincent Margo (2023) which found that green accounting partially has no effect on stock prices.

Corporate Social Responsibility (CSR) is a program that companies are required to implement under Law No. 40/2007, specifically in Article 74, which outlines regulations concerning social and environmental responsibilities for limited liability companies (Lambertus & Hermanto, 2023). Corporate social responsibility (CSR) is the company's approach to integrating social aspects into its operations and activities relationship with its stakeholders in accordance with the principles of partnership and volunteerism (Sarpinah et al., 2022). Corporate Social Responsibility can be measured using the Global Reporting Initiative, there are three dimensions of assessment aspects in the Global Reporting Initiative,

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namely economic aspects, social aspects, and environmental aspects (Ahmad & Setiorini, Kusumaningdiah, 2022). According to Marsuking (2020) Stakeholders in a company have a significant role, especially when it comes to running its operational activities. In the research undertaken by Lambertus & Hermanto (2023) and Budiharjo et al. (2022) found that CSR has a significant effect on stock prices. However, it is inversely proportional to the research of Yogaswara et al. (2022) and Lim & Hananto (2021) who found that CSR partially has no effect on Stock Price.

This research has an innovation in the independent variable, namely Green Accounting as a variable that measures its influence on stock prices through the company's efforts to tackle environmental pollution for its operations. PROPER is the measuring tool because the program can reflect the efforts of the company in preserving the environment so that it can be the basis for the sustainability of its operations. So that this supports the purpose of this research is to find out the effect of fundamental factors which include Return On Equity, Current Ratio and corporate sustainability efforts which include Green Accounting and Corporate Social Responsibility on stock prices.

LITERATURE REVIEW

Signalling Theory

Signaling theory describes why companies provide signals for users through financial statements (Putra et al., 2021). These signals convey information about the actions management has taken to fulfill the owner's expectations. Such signals may include promotions or other messages indicating the company's superiority over competitors. Hermanto & Ibrahim (2020) suggest that investors require information that is complete, relevant, accurate, and timely. Announcements made by the company act as signals to assist investors in making informed investment decisions.

Legitimacy Theory

According to Wijaya & Machdar (2022), Legitimacy theory suggests that companies should operate within the boundaries and values that are acceptable to the surrounding community in order to gain legitimacy. It is recommended that companies work to gain the trust of the public. Chariri & Ghazali (2006) propose that the foundation of legitimacy theory lies in the concept of a "social contract" between the company and the community, where the company operates and utilizes economic resources.

Stakeholder Theory

Stakeholder theory is a concept that explains the various parties (stakeholders) to whom a company is accountable (Mardikanto, 2014). Stakeholders are individuals or groups who can influence the company's objectives or who are impacted by the company's activities in achieving those goals. Lako (2011) argues that stakeholder theory highlights that the survival and success of a company depend on its ability to meet the interests of all its stakeholders.

Return On Equity has an influence on Stock Price.

Return On Equity (ROE) is a key profitability ratio that measures a company's ability to generate net income and subsequently provide returns to shareholders (Saputra, 2023). ROE ratio is used to calculate the return generated by management from the capital invested by the company's owners. An increase in ROE signals positive growth, encouraging investors to

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purchase shares, which can, in turn, drive up the company's share price.

Signal theory explains how agents provide signals to principals, with signals often taking the form of company performance reports, including financial statements. According to signal theory, companies use ROE as a signal of their quality in the market, helping investors make informed decisions. As research has been conducted by several researchers, such as (Setyarini, 2022), (Hidayati et al., 2022), (Darmawan & Megawati, 2022) and (Musfiro & Yuniati, 2020) prove that Return On Equity (ROE) has a positive and significant effect on Stock Price. So that the hypothesis is formed as follows :

H₁ : Return On Equity (ROE) has a positive and significant effect on stock prices

Current Ratio has an influence on Stock Price.

The Current Ratio (CR), also known as the liquidity ratio, measures a company's ability to pay off its short-term obligations by comparing its current assets to its current liabilities. This ratio is crucial for assessing a company's liquidity, as it indicates the company's capacity to meet its short-term debts. According to Hiyun Puspita Sari et al. (2023) a high level of liquidity in a company suggests potential for high growth, while low liquidity may indicate the opposite. The Current Ratio, therefore, plays a key role in the company's ability to settle its short-term debts.

Based on signalling theory, company management, acting as an agent, typically communicates signals to investors through liquidity ratios, including the current ratio, to convey that the company is financially healthy and capable of meeting its short-term obligations. A strong current ratio can boost investor confidence and encourage investment in the company, potentially leading to an increase in the company's share price. As research has been conducted by (Maulana, 2023), (Putra et al., 2021), and (Agnihotri & Arora, 2021) prove that Current Ratio has a significant positive effect on Stock Price. So that the hypothesis is formed as follows :

H₂ : Current Ratio (CR) has a positive and significant effect on stock prices

Green Accounting has an influence on Stock Price.

Green Accounting focuses on economic activities that are environmentally sustainable and considerate of social and environmental factors. As a country that prioritizes environmental concerns, Indonesia has implemented numerous regulations to manage the environment, such as Law No. 23 of 1997 concerning Environmental Management. Today, investors are increasingly looking beyond just profit and are also considering a company's sustainability efforts. Companies with strong sustainable prospects tend to attract more investment. Green Accounting is one of the strategies companies use to protect the environment by accounting for costs related to environmental protection. This ensures that while a company continues its operations, it also contributes to environmental preservation.

Green accounting is closely related to legitimacy theory as it reflects companies' efforts to meet social expectations and strengthen their legitimacy in the eyes of the public. According to legitimacy theory, companies seek to gain acceptance and support from society by demonstrating that their operations fit within a framework of recognized social values and norms. By adopting green accounting, companies seek to highlight their commitment to sustainability and environmental responsibility, which can help strengthen the company's

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image and reputation and ensure the long-term sustainability of its operations. As research has been conducted by several researchers, such as (Aminuddin et al., 2023), (Elisabeth & Maria, 2022), and (Wijaya & Machdar, 2022) prove that Green Accounting has a positive and significant effect on Stock Prices. So that the hypothesis is formed as follows :

H₃ : Green Accounting has a positive and significant effect on stock prices

Corporate Social Responsibility has an influence on Stock Price.

Corporate Social Responsibility (CSR) is an approach where companies integrate social aspects into their operations and maintain relationships with stakeholders based on the principles of partnership and voluntarism (Sarpinah et al., 2022). One of the key goals of CSR disclosure is not just to inform about the company's activities but also to demonstrate the company's level of accountability and transparency to investors and other stakeholders. As a result, CSR can be seen as a positive factor from an investor's perspective. Many companies now recognize the significance of CSR, particularly in the context of their business strategies (Suryono, 2022). By publishing a sustainability report, a company signals to investors that it operates responsibly while actively maintaining social and environmental relationships within its community.

CSR is closely linked to stakeholder theory, which emphasizes the importance of addressing the interests of all parties impacted by a company's operations, not just shareholders. CSR includes various initiatives that reflect a company's commitment to social, environmental, and economic issues relevant to stakeholders such as employees, customers, local communities, suppliers, and governments. Through CSR practices, companies aim to meet stakeholder expectations, build positive relationships, enhance their reputation, and foster trust, all of which contribute to the company's long-term success. As research has been done (Lambertus & Hermanto, 2023), (Adawiyah et al., 2023), (Budiharjo et al., 2022), and (Rakhman et al., 2019). So that the hypothesis is formed as follows :

H₄ : Corporate Social responsibility (CSR) has a positive and significant effect on stock prices

RESEARCH METHOD

This research employs a quantitative method with a descriptive approach. A descriptive approach is a type of research that compares or correlates independent variables to determine their values (Sugiyono, 2010). The method applied in this study is multiple linear regression analysis using SPSS 25. The research utilizes secondary data, including annual reports and sustainability reports from the Indonesia Stock Exchange (www.idx.co.id) covering the period from 2020 to 2023.

Table 1. Measurement tools and variable measurement sources

Concept	Variable	Measurement Tools	Explanation	Source
Dependent	Stock Price	Closing Price	Closing price as a measuring tool used for stock price variables because it has a better level of stability in describing the stock price of a company.	(Lambertus & Hermanto, 2023)

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Independent	$Return\ On\ Equity\ (X_1)$	$\frac{Net\ Profit}{Total\ Equity}$	Return on Equity indicates how effectively a company can produce net income from each unit of equity invested by its shareholders. ROE shows how efficiently the company utilizes capital from shareholders to create profits. (Setyarini, 2022)
	$Current\ Ratio\ (X_2)$	$\frac{Current\ Assets}{Current\ Liabilities}$	The Current Ratio demonstrates a company's ability to cover its short-term obligations with its current assets, allowing it to assess how well it meets its liabilities to investors. (Putra et al., 2021)
Green Accounting (X ₃)	PROPER Rank		Green accounting is proxied as environmental performance. The Ministry of Environment ranks companies' environmental performance using PROPER. Therefore, in this study, the Green Accounting variable is assessed based on the rankings provided by the Ministry of the Environment. (Aminuddin et al., 2023)
Corporate Social Responsibility	$Global\ Reporting\ Index\ -G4$ $\frac{\sum X_{ij}}{nj}$		GRI-G4 is used as a measurement tool for CSR variables because it is a comprehensive international standard, covering economic, social, and environmental dimensions holistically. The index enhances corporate transparency and accountability, enables consistent comparisons, and is relevant to stakeholders such as investors. With GRI-G4-based reporting, companies can strengthen their reputation and demonstrate their commitment to sustainability, which has the potential to positively affect share value. (Lambertus & Hermanto, 2023)

The population in this study consists of several manufacturing companies listed on the Indonesia Stock Exchange (IDX) from 2020 to 2023. The sampling method employed is purposive sampling, resulting in a sample of 20 companies. The purposive sampling technique is based on criteria set by the researchers, aligning with the research objectives. This method involves selecting samples according to specific criteria in advance, ensuring that the samples

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align with predetermined characteristics and research goals. The selection process is aimed at fulfilling particular objectives without deviating from these defined characteristics (Sugiyono, 2010).

The criteria established for this research are as follows:

1. Companies that consistently publish financial reports from 2020 to 2023.
2. Companies that consistently publish sustainability reports from 2020 to 2023.
3. Companies that have generated positive profits for four consecutive years between 2020 and 2023.
4. Companies that are included in the PROPER ranking during the 2020-2023 period.

Table 2. Total research sample

No	Criteria	Total Companies
1	Manufacturing companies on the IDX in 2020-2023	232
2	Manufacturing companies that do not publish financial reports and sustainability reports in 2020-2023	(118)
3	Manufacturing companies that are not listed in the PROPER ranking in 2020-2023	(89)
4	Manufacturing companies that experienced losses in 2020-2023	(5)
	Company qualifies	20
Total Sample = (n x research period) = (20 x 4)		80

RESULTS

Descriptive statistical analysis

Table 3. Descriptive statistical analysis result

	Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation	
ROE	80	.29	145.09	21.1669	31.30947	
CR	80	55.17	574.41	204.8176	114.86278	
GA	80	3	5	3.59	.774	
CSR	80	7.69	60.44	33.8859	12.39706	
Harga_Saham	80	160	22176	4414.51	3908.358	
Valid N (listwise)	80					

Source: SPSS 25 output, secondary data processed

Based on the descriptive analysis test results table, information can be obtained regarding the number of samples (N) in this study as many as 80 consisting of 20 manufacturing companies with a 4-year time period, namely 2020 - 2023. The following is an interpretation of the descriptive statistical test results of each variable:

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1. Return On Equity

The results of descriptive statistical testing on the Return On Equity variable produce a minimum value of 0.29, namely at PT Kimia Farma, Tbk in 2020, a maximum value of 145.09 at PT Unilever, Tbk in 2020, the mean or average ROE is 21.16, and the standard deviation is 31.3. The standard deviation value which is greater than the mean means that the research data has a good distribution because it varies.

2. Current Ratio

The results of descriptive statistical testing on the Current Ratio variable produce a minimum value of 55.17 at PT Unilever in 2023 at PT Merck, Tbk in 2023, a maximum value of 574.41, a mean or average CR of 204.81, and a standard deviation of 114.86.

3. Green Accounting

The results of descriptive statistical testing on the Green Accounting variable produce a value of 3, a maximum value of 5, a mean or average GA of 3.59, and a standard deviation of 0.77. The standard deviation value which is smaller than the mean means that the research data does not have a good distribution because it is not varied.

4. Corporate Social Responsibility

The results of descriptive statistical testing on the Corporate Social Responsibility variable produce a minimum value of 7.69 at PT Barito Pacific, Tbk in 2021, a maximum value of 60.44 at PT Japfa Comfeed Indonesia, Tbk in 2023, a mean or average CSR of 33.85, and a standard deviation of 12.39.

5. Stock Price

The results of descriptive statistical testing on the Stock Price variable produce a minimum value of 160 at PT Steel Pipe Industry of Indonesia, Tbk in 2020, a maximum value of 22,176 PT Indo cement Tunggal Prakarsa, Tbk in 2020, the mean or average Stock Price is 4,414.51, and the standard deviation is 3,908.35.

Classic Assumption Test

a. Normality Test

Table 4. Normality Test result

One-Sample Kolmogorov-Smirnov Test

	Unstandardized	
	Residual	
N		80
Normal	Mean	.0000000
Parameters ^{a,b}	Std. Deviation	1.02142351
Most Extreme	Absolute	.082
Differences	Positive	.040
	Negative	-.082
Test Statistic		.082
Asymp. Sig. (2-tailed)		.200 ^{c,d}

Based on table 4, it can be seen that the residual value of the dependent variable

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and the independent variable with a total (N) of 80 is 0.200. So, it can be concluded that the data from the study is normally distributed because the residual value is greater than the significance value of 0.05 or $0.200 > 0.05$, so the data is normally distributed.

b. Heteroscedasticity Test

Table 5. Heteroscedasticity Test result

Model	Coefficients ^a					
	B	Std. Error	Standardize		t	Sig.
			Unstandardized Coefficients	d Coefficients		
1	(Constant)	.530	.991		.535	.594
)					
	ROE	-.116	.061	-.220	-1.913	.060
	CR	-.055	.129	-.050	-.425	.672
	GA	-.075	.347	-.025	-.215	.830
	CSR	.275	.164	.193	1.671	.099

a. Dependent Variable: ABSRES

Source: SPSS 25 output, secondary data processed

Based on table 5, it can be seen that the significance value of the glejser test on the Return On Equity (ROE) variable is $0.060 > \alpha (0.05)$, the Current Ratio (CR) variable is $0.672 > \alpha (0.05)$, the Green Accounting (GA) variable is $0.830 > \alpha (0.05)$, the Corporate Social Responsibility (CSR) variable is $0.099 > \alpha (0.05)$. This certainly shows that there are no symptoms of heteroscedasticity in the regression model, because all variables produce a significance value that is more than 0.05.

c. Autocorrelation Test

Table 6. Autocorrelation Test result

Model Summary ^b					
Mode	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.366 ^a	.134	.088	1.04831	1.993
a. Predictors: (Constant), CSR, GA, ROE, CR					
b. Dependent Variable: Harga Saham					

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Source: SPSS 25 output, secondary data processed

Table 6. shows the results of the autocorrelation test with a value of K (4), N (80), and a significance value of 5%. The calculation is:

$$du \leq d \leq 4 - du$$

$$1,7430 \leq 1,993 \leq (4 - 1,7430)$$

$$1,7430 \leq 1,993 \leq 2,257$$

The calculation results show that the Durbin Watson value of 1.993 is greater than the du value (1.7430) and smaller than 2.257. So, it can be concluded that there are no autocorrelation symptoms.

d. Multicollinearity Test

Table 7. Multicollinearity Test result

Coefficients^a

Model	Collinearity Statistics		
	Tolerance	VIF	
1 ROE	.931	1.074	
CR	.898	1.113	
GA	.917	1.090	
CSR	.924	1.082	

a. Dependent Variable: Harga Saham

Source: SPSS 25 output, secondary data processed

Based on table 7, it can be seen that the Tolerance value on Return On Equity (ROE) is 0.931, Current Ratio (CR) is 0.898, Green Accounting (GA) is 0.917, Corporate Social Responsibility (CSR) is 0.924. Similarly, it can be seen that the VIF value on Return On Equity (ROE) is 1.074, Current Ratio (CR) is 1.113, Green Accounting (GA) is 1.090, Corporate Social Responsibility (CSR) is 1.082. The tolerance value of each variable shows > 0.10 and the VIF value < 10. Thus, it can be concluded that there are no symptoms of multicollinearity between the independent variables in this study.

Multiple Regression Analysis

Table 8. Hypothesis Test

Coefficients^a

Model	Unstandardized		Standardized	t	Sig.
	B	Std. Error	Coefficients		
1 (Constant)	9.499	1.740		5.460	.000
ROE	.243	.106	.255	2.287	.025
CR	-.261	.226	-.131	-1.153	.252
GA	-.758	.608	-.140	-1.245	.217

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	CSR	.038	.288	.015	.132	.895
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.766	4	3.192	2.904	.027 ^b
	Residual	82.421	75	1.099		
	Total	95.187	79			

a. Dependent Variable: Harga Saham

b. Predictors: (Constant), CSR, GA, ROE, CR

Based on table 8, the following values are obtained:

1. Constant = 9.499
2. Return On Equity = 0.243
3. Current Ratio = -0.261
4. Green Accounting = -0.758
5. Corporate Social Responsibility = 0.038

The resulting value is then substituted in the multiple linear regression equation so that the equation is known as follows:

$$Y = 9.499 + 0.243X1 - 0.261X2 - 0.758X3 + 0.038X4$$

Description:

1. The constant value α , which is 9.499, indicates that if the value of the independent variable is constant, the share price of manufacturing companies listed on the Indonesia Stock Exchange is 9.499.
2. The coefficient value of $X1$ of 0.243 means that if the other independent variables are constant and Return On Equity increases by 1%, the Stock Price will increase by 0.243. The coefficient is positive, meaning that there is a positive relationship between Return On Equity and Stock Price.
3. The $X2$ coefficient value of -0.261 means that if the other independent variables are constant and the Current Ratio increases by 1%, the Stock Price will decrease by -0.261. The negative coefficient means that there is a negative relationship between Current Ratio and Stock Price.
4. The coefficient value of $X3$ of -0.758 means that if the other independent variables are constant and Green Accounting increases by 1%, the Stock Price will decrease by -0.758. The negative coefficient means that there is a negative relationship between Green Accounting and Stock Price.
5. The coefficient value of $X4$ of 0.038 means that if the other independent variables are constant and Corporate Social Responsibility experiences a 1% increase, the Stock Price will increase by 0.038. The coefficient is positive, meaning that there is a positive relationship between Corporate Social Responsibility and Stock Price.

Hypothesis Test

- a. t Test

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Based on the partial test results between Return On Equity on Share Price, the t_{count} is 2.287 and the t_{table} with $\alpha = 5\%$ is 1.992 so that it can be concluded that the t_{count} is greater than the t_{table} and the significance value is $0.025 < 0.05$, meaning that H_0 is not supported and H_a is supported, this indicates that there is a positive and significant influence between Return On Equity on Share Price. Current Ratio has t_{count} is -1.153 and the t_{table} with $\alpha = 5\%$ is 1.992 so that it can be concluded that the t_{count} is greater than the t_{table} and the significance value is $0.252 > 0.05$, meaning that H_0 is supported and H_a is not supported, this indicates that there is no positive or negative and significant influence between the Current Ratio on the Share Price. Green Accounting has t_{count} is -1.245 and the t_{table} with $\alpha = 5\%$ is 1.992 so that it can be concluded that the t_{count} is greater than the t_{table} and the significance value is $0.217 > 0.05$, meaning that H_0 is supported and H_a is not supported, this indicates that there is no positive or negative and significant influence between Green Accounting on Share Price. and the last Corporate Social Responsibility has result of t_{count} is 0.132 and t_{table} with $\alpha = 5\%$ of 1.992 so that it can be concluded that t_{count} is greater than t_{table} and the significance value is $0.895 > 0.05$, meaning that H_0 is supported and H_a is not supported, this indicates that there is no positive or negative and significant influence between Corporate Social Responsibility on Share Price.

b. F Test

Based on table 7, it can be seen that the F_{count} value is $2.904 > F_{table} 2.49$ and the significance value is $0.027 < 0.05$, this means that all independent variables including Return On Equity, Current Ratio, Green Accounting, and Corporate Social Responsibility have a significant effect simultaneously on Stock Prices in manufacturing companies listed on the Indonesia Stock Exchange.

DISCUSSIONS

Return On Equity has an influence on Stock Price.

Based on the research results obtained regarding the effect of Return On Equity on Stock Prices in manufacturing companies listed on the Indonesia Stock Exchange, the t test or partially produces a t_{count} of 2.287 and t_{table} with $\alpha = 5\%$ is known to be 1.992 which means $t_{count} > t_{table}$ and a significance value of $0.025 < 0.05$. So, it can be concluded that H_0 is not supported and H_a is supported, meaning that there is a positive and significant influence between Return On Equity on Stock Prices in manufacturing companies listed on the Indonesia Stock Exchange.

The positive direction of the coefficient indicates that the greater the Return On Equity of a company, the greater the share price. Return On Equity has a positive and significant effect, illustrating that any increase will also be followed by an increase in Stock Price. The higher the Return On Equity also means that the more efficient and effective the use of company equity to benefit shareholders (Setyarini, 2022). The higher the Return On Equity, of course, the higher the investor's interest in investing, so that in the end this will increase the Stock Price (Setyarini, 2022); (Hidayati et al., 2022) and (Darmawan & Megawati, 2022).

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Current Ratio has not influence on Stock Price.

Based on the research results obtained regarding the effect of Current Ratio on Stock Prices in manufacturing companies listed on the Indonesia Stock Exchange, the t test or partially produces a tcount of -1.153 and ttable with $\alpha = 5\%$ is known to be 1.992 which means $tcount > ttable$ and a significance value of $0.252 > 0.05$. So, it can be concluded that H_0 is supported and H_a is not supported, meaning that there is no positive and significant influence between Current Ratio on Share Price in manufacturing companies listed on the Indonesia Stock Exchange.

In research Aryani et al., (2024) based on signal theory that the value of a large Current Ratio can be caused by uncollectible accounts receivable and unsold inventory, this certainly cannot be used quickly to pay debts so that CR does not affect stock prices. A high CR is not necessarily able to provide benefits, because the money that should be invested to obtain profits must be paid on current liabilities (Fatharani & Ariyani, 2022). CR cannot be used as a reference because it has no meaning for the ups and downs of stock prices, because the company's current assets are not used properly in paying current debt and there is too much cash or inventory owned or idle and not maximally utilized to generate profits or dividends that should be distributed to shareholders. (Ferli et al., 2023); (Meilani et al., 2023) and (Aryani et al., 2024).

Green Accounting has not influence on Stock Price.

Based on the research results obtained regarding the effect of Green Accounting on Stock Prices in manufacturing companies listed on the Indonesia Stock Exchange, the t test or partially produces a tcount of -1.245 and ttable with $\alpha = 5\%$ is known to be 1.992 which means $tcount > ttable$ and a significance value of $0.217 > 0.05$. So, it can be concluded that H_0 is supported and H_a is not supported, meaning that there is no positive and significant influence between Green Accounting on Stock Prices in manufacturing companies listed on the Indonesia Stock Exchange.

Based on research by Wincent Margo (2023) The application of green accounting by companies does not have a significant effect on the company's stock price. This is not in accordance with the theory put forward by Lako (2018) which states that the application of green accounting will have a positive impact on the company, namely by increasing the company's selling value which can be measured through its share price in the capital market. Investors also often assume that by implementing green accounting, a company requires greater expenditures, such as the cost of environmental improvements, purchasing environmentally friendly raw materials and equipment, processing industrial waste, CSR costs, and other voluntary costs. Although environmental costs in the concept of green accounting can be considered as socio-environmental investments, other costs that are not categorized as investments will be considered as expenses that reduce company profits.

Corporate Social Responsibility has not influence on Stock Price.

Based on the research results obtained regarding the effect of Corporate Social Responsibility

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on Stock Prices in manufacturing companies listed on the Indonesia Stock Exchange, the t test or partially produces a tcount of 0.132 and ttable with $\alpha = 5\%$ is known to be 1.992 which means $tcount < ttable$ and a significance value of $0.895 > 0.05$. So, it can be concluded that H_0 is not supported and H_a is supported, meaning that there is a positive and significant influence between Corporate Social Responsibility on Stock Prices in manufacturing companies listed on the Indonesia Stock Exchange.

In research by (Aini, 2024) shows the results that Corporate Social Responsibility (CSR) disclosures made by companies do not affect investor interest or lack of investor appreciation of corporate social information. Investors see that CSR disclosures do not provide an overview of the company's ability to generate profits. Therefore, CSR information is not used by investors in their investment activities. Investors prefer financial statements or fundamental analysis as a basis for decision making. On the other hand, investors still do not appreciate CSR disclosure information. This lack of interest is because to analyze the success of a company in managing finances, investors focus more on how much capital and profits the company earns, which can be seen through the company's financial statements.

Corporate Social Responsibility has no significant effect on stock prices in manufacturing companies listed on the Indonesia Stock Exchange in 2016 – 2018 (Lim & Hananto, 2021). This means that the higher the disclosure of each CSR item in the sustainability report, the still unable to increase the stock price. Generally, investors in investing do not pay attention to corporate social responsibility reports and focus more on profits to obtain capital gains. Investors tend to invest through daily stock transactions (daily trading) which provide quick profits in the short term and do not pay attention to the sustainability of the company in the long term (Lim & Hananto, 2021); (Yogaswara et al., 2022) and (Aini, 2024).

CONCLUSION

Based on the data analysis and discussions, it can be concluded that Return On Equity (ROE), Current Ratio (CR), Green Accounting, and Corporate Social Responsibility (CSR) have different effects on stock prices of manufacturing companies listed on the Indonesia Stock Exchange (IDX). The findings show that ROE has a positive and significant impact on stock prices, indicating that higher ROE reflects more efficient use of company equity, which in turn benefits shareholders. This makes ROE a key indicator of stock price performance. In contrast, the Current Ratio (CR) does not significantly influence stock prices, suggesting that a company's liquidity, as measured by CR, does not directly affect stock price movements and is not a primary metric for evaluating stock performance.

Additionally, Green Accounting does not have a significant effect on stock prices. This may be because investors often perceive green accounting as involving higher costs, which could negatively affect profits. As a result, Green Accounting is seen as less relevant in investment decisions. Similarly, Corporate Social Responsibility (CSR) does not significantly impact stock prices, likely because it is not viewed as directly related to a company's profit-generating ability. Therefore, investors may place less value on CSR disclosures when assessing stock value. However, when considered together, the four variables – ROE, CR, Green Accounting, and CSR – collectively explain 35% of the variation in stock prices. The

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remaining 65% is influenced by other factors not examined in this study. These findings emphasize that ROE is the most influential factor in determining stock prices, while CR, Green Accounting, and CSR have a more limited effect in the context of manufacturing companies on the IDX..

IMPLICATION & LIMITATION

The findings of this study carry several important implications for various stakeholders. For investors, Return On Equity (ROE) serves as a crucial indicator when making investment decisions in manufacturing companies, as it has been shown to have a positive and significant impact on stock prices. This suggests that investors should place greater emphasis on the efficiency with which a company uses its equity to generate profits. For company management, these results highlight the importance of enhancing the efficiency and effectiveness of equity utilization to improve ROE performance. By doing so, companies can attract more investors and increase their stock value in the market. Moreover, regulators and policymakers can take steps to boost investor awareness regarding the importance of Green Accounting and Corporate Social Responsibility (CSR) in corporate sustainability. At present, both factors are undervalued by investors, and efforts are needed to illustrate their long-term benefits, not just in terms of costs, but also in relation to reputation and company value.

While this research has undergone various processes and stages, the researchers acknowledge its limitations. Therefore, several suggestions are made for future studies on the same topic. Future researchers could expand the sample size by including data from at least five periods to strengthen the research results. Additionally, incorporating other independent variables, such as financial ratios or other environmental factors, could help increase the explanatory power of the study. Finally, examining other industries, such as mining and transportation, which have more significant environmental impacts, could provide valuable insights and support the environmental aspect variable in the analysis.

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