The effect of liquidity, profitability, sales growth, and dividend policy on stock prices after the implementation of IFRS

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A B S T R A C T

The objective of this research is to find out the effect of liquidity (CR), profitability (ROA), sales growth (SG), and dividend policy (DPR) on the stock price after the implementation of IFRS. This is a quantitative research with the samples consisting of 13 companies of the 45 companies listed on LQ45 in Indonesia Stock Exchange (IDX) during 2011-2013. Totally, there were 39 data collected for the analysis. The sample was determined using purposive sampling method. The data were analyzed by using multiple linear regression analysis. The result provides evidence that lead to a conclusion. Therefore, it can be concluded that, partially, the variables of Current Ratio (CR), Return on Assets (ROA), sales growth (SG), and Dividend Payout Ratio (DPR) have an effect on stock prices. In addition, Current Ratio (CR), Return on Assets (ROA), and Dividend Payout Ratio (DPR) simultaneously have a significant effect on stock prices. However, the sales growth (SG) has no significant effect on stock prices.

A B S T R A K

Penelitian ini bertujuan untuk mengetahui pengaruh likuiditas (CR), profitabilitas (ROA), pertumbuhan penjualan (SG), dan kebijakan dividen (DPR) pada harga saham setelah pelaksanaan IFRS. Penelitian ini merupakan penelitian kuantitatif dengan sampel yang terdiri dari 13 perusahaan dari 45 perusahaan yang terdaftar di LQ45 di Bursa Efek Indonesia (BEI) selama 2011-2013. Semuanya, ada 39 data yang dikumpulkan untuk analisis. Sampel ditentukan dengan metode purposive sampling. Metode analisis dilakukan dengan menggunakan analisis regresi linier berganda. Berdasarkan hasil penelitian ini, dapat disimpulkan bahwa, sebagian, variabel Current Ratio (CR), Return on Asset (ROA), pertumbuhan penjualan (SG), dan Dividend Payout Ratio (DPR) berpengaruh pada saham harga. Selain itu, Current Ratio (CR), Return on Asset (ROA), dan Dividend Payout Ratio (DPR) secara simultan memiliki pengaruh yang signifikan terhadap harga saham. Tetapi, variabel pertumbuhan penjualan (SG) tidak berpengaruh signifikan terhadap harga saham.

1. INTRODUCTION

The rapid growth of economy in Indonesia has caused a high competition in economic activities. In addition, a swift current of globalization requires the country to be able to compete in an international market. Therefore, it is necessary that Indonesia should adjust its existing financial standards to the internationally applicable standards, namely IFRS (International Financial Reporting Standards). According to Kartikahadi et al. (2012: 29), in this era of globalization, along with the rapid development of communication technology, and transparency, the company's financial reporting is becoming quit challenging, one of which is the convergence of IAS/IFRS that requires the accounting standards and national financial reporting to follow the global developments. To cope with the demands of international economy, Indonesia, as one of the developing countries, does not want to be left behind in adopting IFRS. IAS has planned full convergence to IFRS. This convergence is expected to be able to facilitate the understanding of internationally ac-

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ceptable financial statements and to increase the investment flows.

In a high economic growth, companies are required to always grow and survive. In order to grow and survive, they should have a substantial funding to meet the needs of the company in achieving the expected target. Such condition provides the capital owners an opportunity to invest. According to Tandelilin (2010: 2), investment is a commitment to having a number of sources of funds done at this time, with the goal of obtaining a number of profits in the future.

Investment is generally categorized into two, investment in financial assets and investment in real assets, (Clarensia, Rahayu, and Azizah, 2011). Investment in financial assets is carried out in money market, such as in the form of money market securities, certificates of deposit, and others. In addition to money market, investment can also be made in stock market, sucah as in the form of stocks, bonds, options, and more. Investment in real assets can be made in the form of asset purchase, building erection and others.

The role of capital markets is essential in business. According to Ahmad (2004: 17), capital market serves as an intermediary that connects those who need funds to parties who have excess funds, which is a function of the market economy. In addition to economic function, capital market also has financial function, providing return to investors or fund owners in accordance with the selected investment.

In capital market, there is a wide range of companies from different sectors. Investing in the stock market requires considerable knowledge, experience, and business sense to analyze which stocks that will be bought, sold, or retained. Investors should be rational in the face of capital markets and should have a precise estimate of the company's future whose shares will be bought, sold, or retained. The information that could be used by investors in assessing the performance of a company is attained through its financial statement.

Based on the analysis of the financial statement, many factors should be considered by investors in determining the investment decisions. For example, investors can determine the ratio between the intrinsic value of the stock and the market price of the stock of the company concerned. Based on the comparison, they can make a decision such as whether to buy or to sell the stocks. Many variables can affect the company's stock price. These factors are from either external environment or internal environment of the company itself. The variables derived from the internal environment of the company are dividend payment policy, sales growth, and financial ratios (liquidity and profitability). In this case, liquidity is one of the factors taken into consideration in making investments with the aim to know the condition of the company in meeting its short-term obligations. Besides, profitability and sales growth are also the factors that are taken into consideration by investors in making investment because with the high profitability and sales growth, it can be said that the company has good prospects for investors to invest and generate optimal profit. Dividend policy is essential because it can influence investment opportunity, stock price, financial structure, the flow of funding, and liquidity position. This is because dividend policy provides information on the performance of the company.

The data from the financial statements are needed for determining the value of the ratio of each variable that has been described earlier. AS the study by Kartikahadi et al. (2012), it was found that the IFRS convergence has a significant effect on the accounting and reporting systems, such as: (1) The use of estimates and judgments, due to the characteristics of IFRS which are more principle-based than the previous Statement of Accounting Atandard and Financial Accounting Standard (PSAK/ISAK) which are more rule-based. Thus, it can be judged to determine how a financial transaction is recorded. (2) The increased use of fair value. IFRS are more inclined to use fair value, such as for property, investment, some intangible assets, and financial assets. Thus, the competent resources are needed to calculate the fair value, or possibly hire a consultant to calculate particularly for assets that do not have an active market value. (3) The more and more detailed disclosure requirements. IFRS requires the disclosure of various information concerning with qualitative and quantitative risks. The disclosure of financial statements should be consistent with the data or information used by the management in decision-making.

Several approaches have been developed in IFRS with the aims to improve transparency, accountability, and comparability of the financial statements among the entities globally. It will have an impact on the components and elements of the financial statements, such as assets, liabilities, equity, revenues and expenses. This will also have an impact on the profits of a company. Some of these elements will be determinant in calculating independent variable in this study.

This study was done on companies listed on

LQ45 in Indonesia Stock Exchange 2011-2013 because the stocks of the companies are the most active in the trade. Beside, the stocks in LQ45 index are the stocks that have a high level of liquidity and capitalization.

2. THEORETICAL FRAMEWORK AND HYPOTHESES

Signaling Theory

Signaling theory describes how a company should give a signal to the users of its financial statements. This signal contains information about the performance by the management to realize the wishes of the owner. The signal can be either promotion or other information, which states that the company is better than others are. In the framework of signaling theory, it is said that the urge of a company to provide information is that because there is an asymmetry of information between the company's managers and the investors. The company's managers know the information about the company and its prospects better than others do (Wolk et al. 2008: 94).

Liquidity

Liquidity ratio is the ratio that indicates the ability of a company to meet its short-term debt obligations. The company, which is able to meet its financial obligations on time, means that the company is in a liquid state and has more current assets than the current debt. Subramanyam and Wild (2010: 239) stated that liquidity refers to the availability of the company's resources to meet the company's short-term cash needs.

In general, the liquidity ratio used is (1) Current Ratio which is derived from the ratio of current assets and current liabilities. (2) Quick Ratio or Acid Test is derived from the ratio of current assets minus inventory and current liabilities.

Murhadi (2009: 57) recommended that liquidity ratio deal with two ratios. Too high ratio illustrates that the company is too much to save its current assets, whereas current assets are less able to generate returns than fixed assets. Another one is the too low ratio (less than 1) that illustrates the risks, that the company is not able to meet maturing liabilities.

Profitability

Brigham and Houston (2010: 146) stated that profitability is the net income of a range of policies and decisions. High profitability will attract investors and the company can distribute the profits in the form of dividend payments. Profitability for a company is the ability to use certain working capital to produce a certain profit so that the company does not get difficulty in recovering its debts, both short-term and long-term, and dividend payment to investors who have invested in the company (Haryetti & Ekayanti, 2012).

Profitability is the ability of a company to generate profits. If the company is profitable or promising the future profits, many investors will come to invest in the company. It is certainly pushing the stock price rise higher. According to Brigham and Houston (2010: 146), profitability ratio reflects the final results of the entire financial policy and operational decisions.

There are some profitability ratios such as: (1) profit margin on sales which is obtained by dividing net income by the sale. Net profit is profit after interest. A company has an identical operation if the sales, operating costs, and its EBIT are the same. But if the company uses more debt than others, then the company will have the burden of higher interest and it will decrease net income, (2) return on total assets is obtained by comparing the net income to total assets, (3) basic earning power (BEP) is obtained by comparing the amount of earnings before interest and taxes (EBIT) to total assets, (4) return on common equity (ROE) is obtained by comparing net income to common equity.

Sales Growth

Deitiana (2011) explained that sales growth reflects the manifestations of the past success and these can be used as prediction for future growth. The management needs to consider the appropriate funding source for spending those assets. High levels of sales growth can illustrate that the revenue of the company has increased. Further, Deitiana (2011) revealed that the sustained sales growth is the level where the company's sales could grow, depending on how the assets support the sales increase.

A company, which has a high growth rate, should provide sufficient capital to finance the company itself. The company's high-growth is preferred to take profits on investment in order to have better prospects. Thus, the company that has a high sales growth rate will require more investment in various elements of assets, either fixed assets or current assets.

Dividend Policy

According to Sartono (2001: 281), dividend policy is related to making a decision such on whether the profits obtained by the company can distributed to shareholders as dividends or retained in the form of earnings to finance an investment in the future. If a company chooses to distribute the profits obtained as dividends, it will reduce the profits retained and further reduce the internal funding sources. Conversely, if a company chooses to retain the profits obtained, the company's ability to form internal funds will be even greater. Dividend is a measure of the level of payment by showing what proportion of earnings per share, which is distributed to shareholders.

Sundjaja & Berlian (2003: 387) stated that there are three types of dividend policy: (a) dividend policy of constant payout ratio is the percentage of every IDR generated which is distributed to the owners in the form of cash. It is calculated by dividing the cash dividend per share by earnings per share, (b) regular dividend policy is used with the target of constant payments, that is a policy in which a company tries to pay dividends in certain percentage, such as dividend which is declared in IDR and in accordance with the target payment that proves the increase results, (c) regular low and extra plus dividend policy is a dividend policy based on a regular low dividend payments, plus an extra dividend if there is a guarantee of income.

Stock

Stock is a sign of an individual or entity's ownership on the company. Siamat (2005: 507) defines stock as a proof of ownership of the part of capital on a limited liability company. Meanwhile, according to Hanafi and Halim (2009: 15), stock is the latest order of claim or right. When the company gets bankrupt, the available cash will firstly be used to pay off debt, and the cash remaining is distributed to the shareholders. The Stock form is a piece of paper stating that the owner of the paper is the owner of the company that publishes the paper.

The Relationship between Liquidity and Stock Price

Deitiana (2011) stated that the better the liquidity of the company, the better the company to pay its obligation. According to Sundjaja and Berlian (2003: 134), liquidity can be measured using the net working capital, current ratio and quick ratio. For the three liquidity-measurement tools, the the higher the value, the better the liquidity of the company is. Thus, it can be said that if the company's liquidity level is high enough, the dividend payout ratio will also increase compared to that when the company's liquidity position weakened. Thus, it can also increase the attractiveness of the investors to invest in the company.

The above condition will certainly have an impact on the company's stock price in the stock market. In addition, it is supported by the research conducted by Clarensia et al. (2011), which shows that liquidity has significant effect on stock prices. While the researchers conducted by Afrianti (2012) and Deitiana (2011) show that liquidity has no significant effect on stock prices. Based on the descriptions in this study, the hypothesis can be formulated as follows:

H1: Liquidity has an effect on stock prices after the implementation of IFRS.

The Relationship between Profitability and Stock Price

Profitability is the main factor for a company to attract investors. It can be measured through Return on Assets (ROA) or Return on Equity (ROE). In connection with this argument, Sartono (2001) stated that profitability is the company's ability to obtain profit in relation to sales, total assets, and its own capital. This ratio is considered more important than the other existing profitability ratios. Like Sartono, Clarensia et al. (2011) also stated that profitability is the company's ability to generate profit or income for one year which is expressed in the ratio of operating profit and sales from the data of the year-end income statement.

When, for example, the condition of the company is profitable or promising profits in the future, many investors will invest their funds by buying the company's stocks. Thus, the higher the profitability of the company, the higher the impact on the distribution of dividends, and it will give a positive signal to investors. And it's certainly pushing the stock price rise higher.

In the study conducted by Clarensia et al. (2011) it was found that, the profitability has positive effect on stock prices. This result is also in line with the research conducted by Deitiana (2011). Based on the description in this study, the hypothesis can be formulated as follows:

H2: Profitability *has an effect* on stock prices after the implementation of IFRS.

The Relationship between Sales Growth and Stock Price

Deitiana (2011) stated that sales growth reflects the embodiment of successful investments in the previous period and can be used as a prediction for future sales growth. Sales growth is also an indicator of demand and competition in the industry. Strong sales growth reflects the increased revenues, so it tends to have an impact on dividend pay-

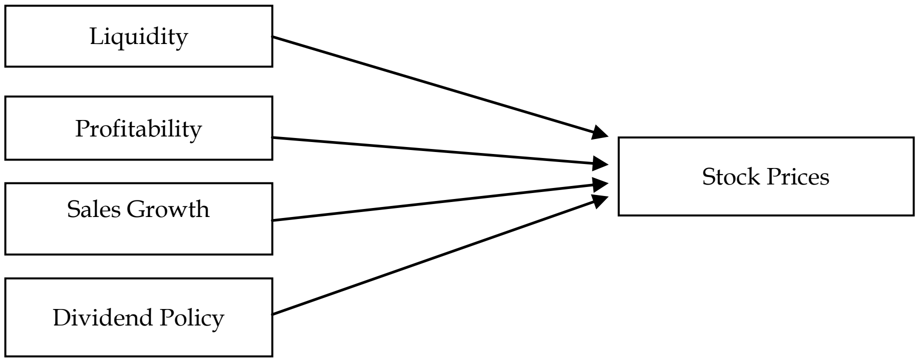

Figure 1
Research Framework

ments, which are expected to rise. Thus, it will be able to attract investors to buy the shares, which in turn could push the stock prices to rise.

The result of the research conducted by Afrianti (2012) indicates that sales growth has significant effect on stock prices. However, the results of the researches conducted by Clarensia et al. (2011) and Deitiana (2011) show that sales growth has no significant effect on stock prices. Based on the description in this study, the hypothesis can be formulated as follows:
H3: Sales growth has an effect on stock prices after the implementation of IFRS.

The Relationship between Devidend Policy and Stock Prices

Sundjaja and Berlian (2003: 380) stated that cash dividends are expected to be the variable of the main return that will determine stock value for the owners and investors. Deitiana (2011) said that dividend policy is related to the distribution of income to be paid to shareholders, for dividends, or used for the company, which means that the earnings should be retained in the company. Dividend policy is a policy to establish how much net profit to be distributed as dividends and how much net profit to be reinvested as the earnings, which are retained to be reinvested.

Cash dividends are the source of cash flow to shareholders that provides information on the current and future performance of the company. The high dividends paid to shareholders will give positive respond to shareholders, but conversely, the high dividend payout will also result in the smaller earnings, which are retained by the company for its business activities. Dividend policy may significantly affect the company's external financing needs. In other words, if the company requires financing; the greater the cash dividend paid to attract investors, the greater the financing to be obtained from external parties through loans or through the sale of common stock or preferred stock. For that reason, when a company requires greater financing, the company will offer more shares to investors and it can have an impact on stock prices in the capital market.

The research conducted by Clarensia et al. (2011) shows that dividend policy has a significant effect on stock prices. However, the researchers conducted by Deitiana (2011) and Putri (2012) stated that dividend policy does not have a significant effect on stock prices. Based on the description in this study, the hypothesis can be formulated as follows:
H4: Dividend policy *has* an *effect* on stock prices after the implementation of IFRS.

The framework underlying this study can be described as in Figure 1.

3. RESEARCH METHOD

This research was conducted using quantitative methods, in which the data were analyzed in order to be able to determine and quantify the factors that affect the stock prices. This study was done on companies listed on LQ45 index in Indonesia Stock Exchange. The data collection was done by means of documentation of the data obtained from www.idx.co.id, and for the stock prices closing was obtained from the website finance.yahoo.com. In conducting this study, the researchers designed theoretical and empirical studies, and then the data were processed by the regression model using SPSS (Statistical Service Solution) version 19.0. (Ghozali, 2011).

Sampling is done using purposive sampling method. It is a sampling technique with limitations and specific goals that are expected to provide data to the maximum in accordance with the following criteria: (1) the companies are listed on the LQ45 stocks period February 1, 2014 in the Indonesia

Stock Exchange and stand for the last three consecutive year. (2) the companies are listed on the LQ45 stocks, have complete financial statements 2011-2013, and have applied IFRS, where the type and form of financial statements are in accordance with the requirements of IFRS. For example, Statements of Financial Position, Statement of Comprehensive Income and Statements of Comparative Financial Position at beginning of period and presenting a retrospective on the application of accounting policies, (3) the companies use the rupiah currency (IDR) in their financial reporting.

Research Variables

The study used independent variables and dependent variable. The independent variables include liquidity, profitability, sales growth, and dividend policy, while the dependent variable includes the stock price.

Operational Definition and Variable Measurement

Liquidity

Liquidity is the ability of a company to meet its short-term liabilities referring to the availability of the resources of the company. The measurement of the liquidity ratio in this study is using Current Ratio (CR). Current ratio is a financial ratio that is commonly used. The rate of current ratio can be determined by comparing current assets to current liabilities.

$$CR = \frac{Current\ \ Asset}{Current\ \ Liabilities}\ . \quad (1)$$

Profitability is the company's ability in obtaining profits related to sales, total assets and its own capital. The measurement of profitability ratio is using the rate of return on total assets or so-called Return on Assets (ROA). The rate of ROA can be determined by comparing the net profit to total assets.

$$ROA = \frac{Net\ Profit}{Total\ \ Assets}. \quad (2)$$

Sales Growth

Sales growth is the increase in the number of sales from year to year. The measurement is by comparing the sales in year t, after being reduced by the sales in the previous period, to sales in the previous period.

$$SG = \frac{S_t - S_{t1}}{S_{t1}} \times 100\% \quad (3)$$

Dividend Policy

Dividend policy is the management decision on the amount of dividends paid to shareholders. The shareholders will receive the dividend payout based on the number of shares that have been bought and based on the GMS (General Meeting of Shareholders). The companies, that distribute dividends, generally provide profit report periodically per six-month and year-end. Dividends are also paid in conjunction with the profit report. The amount of dividends paid is not always the same because it depends on the profit obtained by the company that distributes the dividends. In this study, to measure the dividend policy is using a constant payout ratio or so-called dividend payout ratio, which is a percentage of every IDR generated, distributed to the stock owners in the form of cash. It is calculated by dividing the cash dividend per share by earnings per share.

$$DPR = \frac{Dividend\ \ per\ Stock}{Earnings\ \ per\ Stock} \times 100\% \quad (4)$$

Stock Price

The stock price used in this study is the closing stock price at the end of the year at the time of the publication of annual financial statements. Stock price is the nominal value of the closing price on the inclusion or possession of an individual or entity in a corporation or limited liability company that applies on a regular basis in the Indonesian capital market.

Analysis Tools

The analysis tools used in this study include descriptive analysis and multiple regression analysis. Descriptive analysis aims to provide an overview or description of the research data. While the multiple regression analysis is basically the study of the dependence of the dependent variable on one or more independent variables, with the objective of estimating and/or predicting the average population or the mean value of the dependent variable based on the value of the independent variables known.

Regression Model:

$$Y = a + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + e. \quad (5)$$

Description:
Y = Stock Price
a = Constant
β = Coefficient Regression
X_1 = Liquidity
X_2 = Profitability
X_3 = Sales Growth
X_4 = Dividend Policy
e = Error.

4. DATA ANALYSIS AND DISCUSSION

Based on the sampling process from the 45 companies listed on LQ45, it was obtained 13 companies

Table 1
The Result of Descriptive Analysis

	N	Minimum	Maximum	Mean	Std. Deviation
CR	39	.45	6.99	2.6302	1.57757
ROA	39	.04	.40	.1760	.08580
SG	39	-.33	.54	.1362	.14192
DPR	39	.28	1.34	.4981	.22084
HRG_SHM	39	1030	74000	18580.26	20418.442

Source: Processed SPSS Data.

that meet the sampling criteria. Therefore, in a total observation, there were 39 data (13 companies for 3 years).

Descriptive Test

The aim of descriptive analysis is to provide an overview or a description of the data. Based on Table 1, it shows that the number of samples in this study is 39 data. The companies listed on LQ45 as the samples of this study, have an average stock price of IDR 18,580.26. The maximum value obtained is IDR 74,000 with the minimum value obtained is IDR 1,030. Based on the observation from the financial statements, one of the factors that make the stock price high is because there is an increase in the performance of the company, seen from the profit generated, which is in proportion to the increase in the total assets owned by the company, and the high profit retained that can be used for operating activities in the coming year. This indicates that the company has a better ability than the other companies have in the future prospects and provides benefits to investors.

The mean value of CR is 263%. CR is obtained from current assets divided by current liabilities. The maximum value obtained is 699% and the minimum value obtained is 45%. The high value of CR is due to the value of current assets of the company, which is higher than the value of current liabilities. The high CR value illustrates that the company has a better ability to meet its short-term obligations.

The mean value of ROA of the sample companies is 17.60%. ROA is obtained from the profit after tax divided by total assets. The maximum value is 40% and the minimum value is 4%. The high ROA value can be caused by the value of the company profits, which is higher than the value of the total assets of the company. The high ROA value illustrates that the company has a better ability to give benefit to investors.

The mean value of sales growth of the sample companies is 13.62%. The maximum value is 54% and the minimum value is -33%. The Company has a negative sales growth because the company experienced a decline in sales from the previous year. Conversely, the high value of sales growth is caused by the high rate of sales of the company at this time compared with the sales in the previous year. The high rate of sales growth can illustrate that the company gets an increase in revenue.

The mean value of DPR of the sample companies is 49.81%. DPR is obtained from cash dividends per share divided by earnings per share. The maximum value is 134% and the minimum value is 28%. The high value of DPR is caused by the high value of cash dividend compared to the company's profit. This shows that the companies that have a high DPR value have a better ability to give benefit to investors, and the high cash dividend payments will give a positive signal to investors to invest.

Analysis Results and Discussion

The aim of this study is to determine the effect of liquidity, profitability, sales growth and dividend policy on stock prices after the implementation of IFRS. The samples are companies listed on LQ45 period February 1, 2014 and stand for the last 3 consecutive years and the period of the study in 2011-2013. The stages of adoption of IFRS in Indonesia began in 2008. Although the Indonesian Accounting Association (*IAI*) has launched a full adoption and implementation of IFRS since 2012, the presentation of the financial statements of the companies of LQ45 listed in Indonesia Stock Exchange, in 2011 was not much different from that of financial statements in 2012. This means that the companies of LQ45 listed in Indonesia Stock Exchange in 2011 have voluntarily presented the financial statements in conjunction with the IFRS convergence.

The evidence above shows that the presentation of the components of the financial statements in 2011 includes Statements of Financial Position, Statement of Comprehensive Income, and Statement of Comparative Financial Position at the beginning of the period. Yet, the retrospective presentation on the application of accounting policies as

Table 2
The Result of Multiple Linear Regression Analysis

Variable	Regression Coefficient	Standard Error	Beta	T Table	Sig.
Constant	41835.998	11351.553		3.685	0.001
CR	-6661.287	2383.908	-0.515	-2.794	0.008
ROA	238725.092	57456.061	1.003	4.155	0.000
SG	14358.331	20498.378	0.100	0.700	0.488
DPR	-99788.456	24362.988	-1.079	-4.096	0.000
Sig. KS					0.423
F Table					5.312
Sig. F					0.002
R2					0.385
Adjusted R2					0.312

Source: Processed SPSS Data.

well as several provisions has also been adopted from IFRS. It is in contrast to the financial statements in 2010 and those of the previous year.

Multiple Regression Analysis
Normality Test

In this study, normality test is used to test whether, in the regression model, the residual data are normally distributed or not. The residual data are said normally distributed if the sig. Kolmogorov-Smirnov (KS) test $\geq$ 0. Based on the Table 2, it shows that the significance value of KS test is 0.423> 0.05, so it can be concluded that the normality assumption is fulfilled.

F test

F test aims to determine whether the regression model fits or not, or to test the effect of the overall independent variables on the dependent variable. Based on the test result using F test, it shows that the significance value (Sig.) is 0.002, or less than 0.05. This indicates that Ho is rejected, which means that one of the independent variables has an effect on the dependent variable, and the regression model created is said fit.

Coefficient of Determination

The coefficient of determination measures how far the ability of the model to explain the variations in the dependent variables. Based on the result of regression test, the value of the coefficient of determination (Adjusted R2) is 0.312 or 31.2%. This indicates that the ratio of CR, ROA, SG and DPR has an effect on the stock price of 31.2%, while the remaining 68.8% is affected by other variables that are not included in the model.

Hypothesis Test (t test)

The regression model equation generated is:

$Y = 41835.995 - 6661.287CR + 238725.092ROA - 99788.456DPR + e$

Based on the result of regression analysis, the value of constant is 41835.995. This shows that if the independent variables, CR, ROA, SG dan DPR, are considered constant, the stock price will be worth of IDR 41,835.995.

Regression coefficient for CR is -6,661.287. This shows that if the ratio of CR is up/down by one percent, the stock price will fall/rise by IDR 6,661.287, assuming that other independent variables are constant.

Regression coefficient for ROA is 238,725.092. This shows that if the ratio of ROA is up/down by one percent, the stock price will go up/down by IDR 238,725.092, assuming that other independent variables are constant.

Regression coefficient for DPR is -99,788.456. This shows that if the ratio of DPR is up/down by one percent, the stock price will fall/rise by IDR 99,788.456, assuming that other independent variables are constant.

The Effect of Liquidity (X1) on Stock Price (Y)

Based on Table 2, it can be said that the significance value (Sig.) of CR variable is 0008, which is smaller than 0.05. It can be interpreted that H0 is rejected. So it can be concluded that the variable of CR has a significant effect on the stock prices after the implementation of IFRS. This study is not consistent with the research conducted by Deitiana (2011) which states that CR does not have a significant effect on stock prices.

This study shows that CR has negative effect on stock prices. This is because too high ratio illustrates that the company stores too much current assets. Too high current assets are less able to generate returns than the fixed assets for business continuity. This study shows that CR information on a company can be used by the company to give a signal to investors in making decision to invest in the company after the implementation of IFRS.

The Effect of Profitability (X2) on Stock Price (Y)
Based on Table 2, it can be said that the significance value (Sig.) of ROA variable is 0.000, which is smaller than 0.05. It can be interpreted that H0 is rejected, so it can be concluded that the variable of ROA has a significant effect on the stock prices after the implementation of IFRS. This is consistent with the researchers conducted by Deitiana (2011) and Clarensia et al. (2011).

This study shows that ROA has significant positive effect on stock prices. This happens because the net profit, after tax, of the total assets used for the operation of the company is high. So, it can be said that the company's performance in generating profit is very good. This research can be taken into consideration in the investment decisions made by investors, where it is expected that the higher level of the company's ability to generate profit to total assets can increase the growth of the company and raise the company's stock price. An increase in ROA is expected to make the company grow better. Thus, this result indicates that signaling theory is proven, where changes in the rates of ROA will cause changes in stock prices.

The Effect of Sales Growth (X3) on Stock Price (Y)
Based on Table 2, it can be said that significance value (Sig.) of Sales Growth (SG) variable is 0488, which is greater than 0.05. It can be interpreted that H0 is accepted, so that it can be concluded that sales growth variable has no significant effect on the stock price after the implementation of IFRS. This study is consistent with the research conducted by Clarensia et al. (2011). This occurs because when the level of sales growth is high from year to year, at the same time the level of financing issued by the company is also high during, so the comprehensive profit generated is not necessarily high. Additionally, with the implementation of IFRS, the calculation of inventory using the LIFO method is no longer allowed, so it can have an impact on cost of sales which in turn it can affect the comprehensive income. Thus, this study is not able to prove the signaling theory, where the changes in sales growth do not affect the changes in stock prices

The Effect of Dividend Policy (X3) on Stock Prices (Y)
Based on Table 2, it can be said that the significance value (Sig.) of DPR variable is 0.000, which is less than 0.05. It can be interpreted that H0 is rejected, so it can be concluded that DPR variable has a significant influence on stock prices after the implementation of IFRS. This study is not consistent with the research conducted by Deitiana (2011) which states that DPR does not have a significant effect on stock prices.

This study shows that DPR has significant negative effect on stock prices. This occurs due to the high DPR ratio caused by the high cash dividends paid by the company. This would result in retained earnings are getting smaller, so that the sources of funding for the company from the retained earnings would also be smaller. This study shows that the company’s DPR information can be taken into consideration by investors in making investment decisions. The results are consistent with the hypothesis that suggests that the DPR has a significant effect on stock prices after the implementation of IFRS.

5. CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS

In general, it can be concluded that the regression model is a fit regression model based on F test. It appears that current ratio (CR), return on assets (ROA), sales growth (PP) and the dividend payout ratio (DPR) affect the stock price at 31.2%. Thus, it can be assumed that the remaining factors of 68.8% must be by other variables that are not included in the regression model.

Secondly, it shows that, partially, the current ratio (CR), return on assets (ROA) and the dividend payout ratio (DPR) have a significant effect on stock prices while the sales growth has no significant effect on the company's stock price after the implementation of IFRS. In this case, it is a fact that current ratio (CR) leads to the company able to meet its short-term liabilities referring to the availability of its current assets. Its return on assets (ROA) also leads the company able to generate profits as compared to the total assets of the company.

The next is that dividend payout ratio (DPR) is the percentage of every IDR generated distributed to the owners in the form of cash dividends. In fact, this DPR can be used as a signal by the company in attracting investors to invest in the company's stocks after the implementation of IFRS, except fot the sales growth.

This study has several limitations (1) of the number of companies, which consists of 45 companies, in which it can be assumed that of course there are several companies that can not withstand in LQ45 for 3 years and therefore, the financial reporting data required by researchers are still not complete. Besides, there are still some companies that present their financial statements using the foreign exchange rate so that are only 13 companies used as the sample in this study. (2) The period of the study on the mandatory implementation of IFRS presentation from some sources state that the full adoption and the implementation of IFRS were compulsorily made in 2012-2013 for the go-public companies despite the convergence to IFRS has already started since 2008, so that the samples used in the year of 2011 still have limitations.

For that reason, the study suggests that for further study, the researchers should consider follows (1) the sample of companies used can be from the outside of the companies of LQ45 or from other sectors that have more sample companies and the stocks are still actively traded, (2) the period of the study can use the period of 2012 and the following years after the implementation of mandatory financial statement presentation fully adopted from IFRS for go-public companies, (3) For further research, the researchers should use the independent variables or measurements other than the current variables so that they can examine the factors that may have more influence, such as the variables of EPS, systematic risk, or the dividend yield.

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