Testing The Effect *Of Debt To Equity Ratio* And *Dividend Payout Ratio* On Stock *Return* In The *Food Industry And Beverage*s

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ABSTRACT
This study aims to determine the effect of Debt to Equity Ratio on stock returns, dividend policy on stock returns in Manufacturing Companies *Food* Sub Sector *And Beverages* Listed on the Indonesia Stock Exchange Period 20 17 -20 20. Investors invest in a company is to get a return. Before investing, investors need to pay attention to the company's financial performance. The main information needed by investors is accounting information needed to assess investment risk and estimate the rate of return on investment. This research was conducted using quantitative methods. There were 30 companies in this research and 18 companies were taken as a sample using purposive sampling method. Data analysis using SPSS version 25. Based on the partial results of the study, it shows that the Debt to Equity Ratio variable has no effect on stock returns. While the dividend policy variable has an influence on stock returns. Meanwhile, based on the simultaneous results, the Debt to Equity Ratio and Dividend Payout Ratio simultaneously affect stock returns. For further research, it is recommended to conduct similar research, which is expected to be able to add or replace other variables besides the variables used in this study with other factors that might influence stock returns such as return on assets (ROA), company size, etc.

Keywords: Debt to Equity Ratio, Dividend Policy and Stock Return

ABSTRAK
Penelitian ini bertujuan untuk mengetahui pengaruh Debt to Equity Ratio terhadap return saham, kebijakan dividen terhadap return saham pada Perusahaan Manufaktur Sub Sektor Makanan dan Minuman yang Terdaftar di Bursa Efek Indonesia Periode 20 17 -20 20. Investor melakukan investasi pada suatu perusahaan adalah untuk mendapatkan return. Sebelum melakukan investasi, investor perlu memperhatikan kinerja keuangan perusahaan. Informasi utama yang dibutuhkan oleh investor adalah informasi akuntansi yang diperlukan untuk menilai risiko investasi dan

mengestimasi tingkat pengembalian investasi. Penelitian ini dilakukan dengan menggunakan metode kuantitatif. Populasi dalam penelitian ini sebanyak 30 perusahaan dan 18 perusahaan diambil sebagai sampel dengan menggunakan metode purposive sampling. Analisis data menggunakan SPSS versi 25. Berdasarkan hasil penelitian secara parsial menunjukkan bahwa variabel Debt to Equity Ratio tidak berpengaruh terhadap return saham. Sedangkan variabel kebijakan dividen memiliki pengaruh terhadap return saham. Sedangkan berdasarkan hasil secara simultan, Debt to Equity Ratio dan Dividend Payout Ratio secara simultan berpengaruh terhadap return saham. Untuk penelitian selanjutnya, disarankan untuk melakukan penelitian serupa, yang diharapkan dapat menambah atau mengganti variabel lain selain variabel yang digunakan dalam penelitian ini dengan faktor-faktor lain yang mungkin dapat mempengaruhi return saham seperti return on asset (ROA), ukuran perusahaan, dll.

INTRODUCTION

The capital market has a very important role in the economy in Indonesia. One of them is as a means for companies to obtain funds from investors. The capital market in Indonesia is the Indonesia Stock Exchange (IDX). Companies that have been listed on the IDX are companies that have gone public. Company go public k This will make it easy to obtain funds from investors, one of which is by issuing shares. In the capital market in Indonesia, namely the Indonesia Stock Exchange, there are 502 companies from various sectors such as manufacturing, banking, property, real estate, and so on. (Aris, 2017).

According to RI Capital Market Law No. 25 of 2007, what is meant by the capital market is activities related to public offerings and securities trading, public companies related to securities. The meaning of securities according to the Republic of Indonesia Capital Market Law no. 8 of 1995 are securities, namely debt securities, commercial paper, stocks, bonds, certificates, units of collective investment contract participation, futures contracts on securities and every derivative of securities. The definition of the capital market in general according to the Decree of the Minister of Finance of the Republic of Indonesia No. 53 of 1990 concerning Capital Market Regulations is: "An organized financial system, including commercial banks and all intermediary institutions in the financial sector, as well as all securities in circulation". In a narrow sense, the capital market is a place in the physical sense that organizes securities sales transactions or is referred to as a stock exchange. Martalena and Malinda (2011) define the capital market as a place that offers various financial instruments in the form of securities in the form of stocks, warrants, bonds (debt), mutual funds, and other securities. When parties who need funds (companies) carry out trading transactions with investors who have excess funds, buying and selling activities occur in the capital market. Fresh funds obtained by the company from investors will be used to expand business activities or improve unhealthy financial conditions so that the company's business activities can run smoothly again. So it can be concluded that the capital market is a market that brings together sellers and buyers of long-term securities both in the form of debt and equity. While the place where transactions occur is called the stock exchange. There fore the stock exchange is the meaning of the physical capital market. Law No. 8 of 1995 explains that the stock exchange is a party that organizes and provides systems and or facilities to bring together offers of buying and

selling securities to other parties with the aim of trading securities, among others. According to Sunariyah (2011) the important role of the capital market in a country is as a means between sellers and buyers in interacting to determine the price of shares traded without having to go through face-to-face meetings but this can be done easily through computer facilities.

Population growth in Indonesia is increasing every year, this will also have an impact on people's consumption needs which will also increase. Economic growth and a fairly high and sustainable level of business is a necessity in sustainability economic development and welfare improvement. This will give rise to a variety of businesses, both small businesses which are usually managed by individuals to large companies that have many business branches, all of which will certainly experience improvement and development (Bappeda).

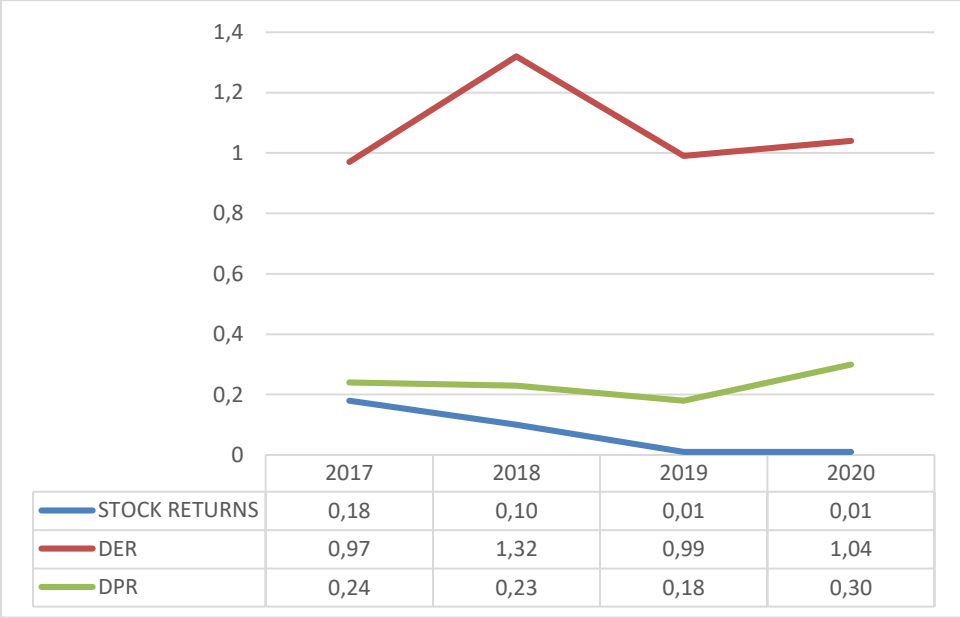
The development of manufacturing companies in the sub-sector of the *food and beverage* industry in Indonesia has greatly increased. *Food* Sector *and* Beverages This is a business opportunity that has bright prospects in Indonesia because it has a large population with enormous needs, as well as high purchasing power. *Food and beverage* industry make a major contribution to economic growth in Indonesia. therefore, The Ministry of Industry will continue to encourage the development of the food and beverage industry in Indonesia (Ministry of Industry, 2016).

The performance of consumer goods stocks needs to be watched out for, because there is a tendency for expectations of retail sales to fall. This has the potential to push the performance of listed companies from the consumer goods sector to pressure. Pressured sales ultimately impacted the financial performance of issuers in the consumer goods sector, including those in the food and beverage sub-sector. Throughout the first nine months of 2017. (Cnbcindonesia, 2018). Rising stock prices will give a signal, especially to investors, that companies are performing well and can be seen through the stability of their stock prices. Stock prices that tend to be high will be an attraction for investors to invest their funds by buying company shares (ojk.go.id). The increase in stock prices can reflect the greater the level of return *that* will be received by investors. However, on the contrary if the stock price falls even in each period it can reduce investor confidence and interest in buying company shares because the company will experience bankruptcy in the future Sunaryo,D. & Lestari, E. (2023).

Return is the result obtained from investment, while shares are proof of ownership in a company in the form of a Limited Liability Company (PT). So stock returns are payments received because of ownership rights. In other words, it can be referred to as the profit of investing or the rate of return. Every investment, both short term and long term has the main goal of getting a profit called return, either directly or indirectly. In making an investment, a rational investor will consider two things, namely the expected return and the risk contained in the alternative investments made. (Rika Verawati, 2014). Meanwhile, stock returns are the profits obtained by investors from a stock investment made. Stock returns can be in the form of realized returns that have occurred or expected returns that have not occurred but are expected to occur in the future (Jogiyanto, 2017). Realized return is a return that has occurred. Realized return is calculated using historical data. Realized return is important because it is used as a measure of the company's performance. This

realized return or historical return is also useful as a basis for determining expected return and future risk. Expected return is the return expected to be obtained by investors in the future. Stock return is the profit obtained by investors from a stock investment made. Stock returns can be in the form of realized returns that have occurred or expected returns that have not occurred but are expected to occur in the future (Jogiyanto, 2017)

The development of Stock *Returns, Debt to Equity Ratio* and *Dividend Payout Ratio in manufacturing companies in the food and beverage* sub-sector in general from 2017-2020. This can be seen from Graph 1.1 from the data in general it can be seen that *food and beverages companies* in Indonesia experienced decrease in stock *returns* each year.



	2017	2018	2019	2020
STOCK RETURNS	0,18	0,10	0,01	0,01
DER	0,97	1,32	0,99	1,04
DPR	0,24	0,23	0,18	0,30

Source : www.idx.co.id (data processed in 2022)

Figure 1.1
Stock *Return* Development, *Debt to Equity Ratio* and Dividend Payout Ratio in *Food and Beverages Companies*

As seen from Figure 1.1 above, the development of stock returns in manufacturing companies in the food and beverages sub-sector listed on the IDX in 2017-2020 has decreased from 30 food and beverages companies. Stock returns are closely related to stock prices, because the current period stock price and previous period stock prices are used to calculate it. Based on the graph above, stock returns for food and beverage companies in the 2017-2020 period were the highest in 2017 at 0.18. The lowest stock return value in 2019 and 2020 is only 0.01 (www.idx.co.id). The decline in stock returns was caused by many factors, one of which was external and internal factors. External factors such as Macroeconomic Fundamental Conditions, Rupiah Exchange Rate Fluctuations against Foreign Currencies and Market Manipulation Factors. As for the internal factors such as the Company's Fundamental Factors, Company Corporate Actions and Company Performance Projections in the Future. (www.ojk.go.id). The size of the

share price is basically determined by demand and supply in trading investors who invest their funds in the capital market aiming to get profits from the funds invested. invest the investor in the future. Therefore, investors must observe the condition of the company first. Investments are the most chosen by investors because stocks are able to provide a certain level of profit. (Sari, 2018). Furthermore, seen from graphic image 1.1 above, it can be seen that the *Debt to Equity Ratio level* of manufacturing companies in *the food and beverage sub-sector* listed on the IDX in 2017-2020 has fluctuated every year (www.idx.co.id). The highest *Debt to Equity Ratio* level in the 2018 period is 1.32, which means that the higher the solvency ratio, the higher the risk of losses that will occur. Conversely, if a company has a low solvency ratio, of course the company has a smaller risk of loss. This impact can also cause low returns when the economy is high (Imelda Ancient, 2015).

The use of a higher *Debt to Equity Ratio has an impact if the income received from using these* funds is greater than the financial expenses incurred where the company can finance its operational activities using loan or debt capital and bears an interest expense which aims to increase profit per its shares. (Suwaldiman and Anisa Maulidyati, 2019). Before investing, investors will analyze the level of *Debt to Equity Ratio* of a company if the level of *Debt to Equity Ratio* is high, investors are less interested in investing their capital because a high level of *Debt to Equity Ratio* has a greater risk. Investors must be careful, because stock markets around the world are on average experiencing a decline as well as the Jakarta Composite Index (IHSG) on the Indonesia Stock Exchange (IDX). Stock *returns* will also decrease if shareholders do not invest in the company (Mikhy, 2016).

The Debt to Equity Ratio is the ratio used to measure the extent to which a company's assets are financed by debt compared to its own capital (Ernawati, 2016). Debt to Equity Ratio is an important factor in external funding in a business entity. This means that the use of internal and external funding will make an optimal combination to determine funding interests. Debt to Equity Ratio shows the extent to which the company's assets are financed with debt. Debt to Equity Ratio arises because the company in its operations uses assets and sources of funds that cause a fixed burden for the company. The use of assets that generate fixed expenses is called the operating Debt to Equity Ratio, while the use of funds with fixed expenses is called the Debt to Equity Ratio. The Debt to Equity Ratio arises because the company is financed with funds that incur a fixed burden, namely in the form of debt, with a fixed burden in the form of interest (Sudana and I Made, 2011). Debt to Equity Ratio finance involves the use of fixed cost funding. Interestingly, the financial Debt to Equity Ratio is obtained by their own choice, but sometimes the operational Debt to Equity Ratio is not. The amount of operational Debt to Equity Ratio (physical fixed operational amount) used by companies is sometimes determined by the need for fixed assets (plants and equipment) which will have a large fixed operating cost component, namely depreciation expense. Financial Debt to Equity Ratio, on the other hand, will always be an option. No company is required to have any long-term debt or preferred stock financing. As an alternative, the company can finance its operational and capital expenditures from internal sources and the issuance of common stock.

However, there are rarely companies that do not have a financial Debt to Equity Ratio (Van Horne and Wachowicz, 2013). According to Warsono (2013) the financial Debt to Equity Ratio can be defined as the potential use of fixed financial costs to increase the effect of changes in earnings before interest and taxes on earnings per share (EPS). The larger the DER indicates the greater the obligations borne by the company and the lower the DER value will indicate the higher the company's ability to fulfill its obligations (M. Firza alpha, 2020). A lot of emphasis is placed on this ratio, because if this ratio is bad, then the company will have real long-term problems, one of which is bankruptcy. The higher this ratio will affect the level of net income available to shareholders.

The next ratio used in this study is the Dividend Payout Ratio. Dividends are profits that are obtained by shareholders on funds that have been invested in a company that has gone public. Dividends are compensation received by shareholders, in addition to capital gains (Mamduh, 2014). There are several types of dividends, namely cash dividends and non-cash dividends. Cash dividends themselves consist of stock dividends and stock splits. Dividend policy is a policy that refers to the company's decision to go public to pay dividends to investors or to retain them in the form of retained earnings. According to Sartono (2011) Dividend policy is the process of determining how much company income in one year will be paid to investors as dividends or retained as retained earnings. The high profit owned by the company will affect the amount of dividends to be paid, so that before the dividend policy is decided, the company needs to ensure that the company has high profits to share profits with shareholders. One of the policies that must be taken by the company's management is to decide whether the profits earned during one period will be shared entirely or will be distributed as dividends and some will be kept as retained earnings. If the company decides to share company profits as dividends, it will reduce the company's opportunity to obtain internal capital. Therefore, dividends are one of the most important policies in the company, because they involve shareholders who in fact are the source of capital for the company. Investors in investing their funds into stock instruments certainly want a high return. Return from shares can be obtained from capital gains or from dividends (T. Widiastuti,2018). Once the importance of the role of dividends, companies are reluctant to cut dividends. Companies that cut dividends give a bad signal to investors indicating that the company's financial condition is not good so that market demand for the company's shares will fall, which means investors are reluctant to invest their shares in the company. Vice versa, if the company shows dividends, it gives a signal to investors that the company's financial condition is good. With this signaling effect, companies must guarantee dividends to investors (Egy Prayana, 2020). Signaling theory This theory argues that a high dividend payout is a signal to investors that company management predicts greater profits in the future. Conversely, if there is a decrease in dividends, it is believed that this is a signal that the company will face difficult times in the future (F. Suryani, 2018). Signaling theory was first put forward by Spence (1973) which explained that the sender (owner of the information) gives a signal or signal in the form of information that reflects the condition of a company that is beneficial to the recipient (investor). Signal theory according to (Brigham, 2014) is the company's actions in giving a signal to investors about how

management views the company's prospects. This signal is in the form of information about what has been done by management to relate to the wishes of the owner. According to (Jogiyanto, 2014) the information presented by the company is used by investors to make investment decisions. Signaling theory (signalling theory) explains how signals of success or failure of management are conveyed to owners. Signal theory is related to information asymmetry. The positive thing in signaling theory is that companies that provide good information will differentiate them from companies that do not have "good news" by informing the market about their condition, signals about good future performance given by companies whose past financial performance is not good are not good. will be trusted by the market. Signal theory was developed in economics and finance to account for the fact that company insiders *generally* have better and faster information than outside investors. Therefore, as a manager, the manager is obliged to provide a signal regarding the condition of the company to the owner (J. Sahbandi, 2019). The signal given can be done through the disclosure of accounting information such as financial reports. Financial reports are intended to be used by various parties, including the management of the company itself. However, those who are most concerned with financial reports are actually external users (outside management). Internal users (management) have direct contact with the entity or company and are aware of significant events that occur, so that the level of dependence on accounting information is not as high as that of external users. (Amaliah, 2017). According to Jogiyanto (2014), information published as an announcement will provide a signal for investors in making investment decisions. When information is announced, market participants first interpret and analyze this information as a good signal (good news) or bad signal (bad news). If the announcement of this information is considered a good signal, then investors will be interested in trading shares, thus the market will react which is reflected through changes in the volume of stock trading (Suwardjono, 2010). In a company, the manager or known as the agent managing the company will tend to have more information than the principal. Therefore, in order to minimize the occurrence of this information asymmetry, managers or managing agents will use dividends as a signal that can indicate company performance to principals or shareholders, in principals can also interpret dividends as a positive signal that describes company performance (Santoso, 2010).

The Dividend Payout Ratio can be measured using the dividend payout ratio (DPR) by determining the amount of profit divided in the form of cash dividends and retained earnings as a source of funding. This ratio shows the percentage of company profits paid to company shareholders in the form of cash dividends (Deitiana, 2020). According to Hanum (2016) if the company's profits are held in large numbers, it means that the profits to be paid as dividends are smaller. Thus an important aspect of the Dividend Payout Ratio is determining the appropriate profit allocation between profit payments as dividends and retained earnings in the company.

The Dividend Payout Ratio is a decision made by a company regarding dividends, to determine whether profits will be shared with shareholders or choose to retain profits to rotate its assets. Investors hope to get a return on the investment they make. In order for the company to fulfill this desire, the company must be able to provide welfare to investors. This can be done by

giving investors profits in the form of dividends or *capital gains* (www.cimbniaga.co.id). The dividend payout ratio for *food and beverage companies* listed on the IDX also fluctuates every year. In 2017 it was 0.24 in 2019 it fell to 0.18. Even though the dividend policy decreased in the 2017-2019 period, in 2020 it has increased by 0.30 (www.idx.co.id). This affects the assessment of investors to invest their capital. In general, investors will be happier if the company distributes dividends. Determining dividends aims to avoid losses that will harm the company or shareholders. The dividend distribution of the company must also consider the policy to be taken (Indah and Erni, 2019).

There is a relationship indicating that investors in Indonesia pay attention to dividend policy in making investment decisions, meaning that investors prefer dividends which are current income from on *capital gains* (Anessa Musfitria, 2016). Companies must also consider various factors that affect the Dividend Payout Ratio, so that the dividend is in line with investors' expectations. Shareholders always expect the highest *return from their investments* so that companies must be able to manage the funds received from shareholders as much as possible (Brigham and Houston, 2014). Based on the phenomena and inconsistencies of some of the results of the previous studies described above where each variable such as the *Debt to Equity Ratio* and the Dividend Payout Ratio to Stock *Returns* has a different effect in each study.

RESEARCH METHODS

The research conducted is empirical research, research means that the ways in which it is carried out can be observed by human reasoning. The method used in this research is associative method with quantitative research. Associative research was conducted to determine whether there is influence of Debt to Equity Ratio and Dividend Payout Ratio on stock returns. Quantitative method because research data is in the form of numbers and analysis. This research was conducted in the food and beverage sector which is listed on the Indonesia Stock Exchange. The object of this study is the Debt to Equity Ratio and Dividend Payout Ratio to Stock Returns in manufacturing companies in the food and beverages sub-sector which are listed on the Indonesia Stock Exchange for the 2017-2020 period. In this study, the authors took the population, namely manufacturing companies in the food and beverages sub-sector which were listed on the Indonesia Stock Exchange (IDX) for the 2017-2020 period. Then the research population obtained as many as 30 food and beverages. In this study, researchers will use a purposive sampling technique, namely samples taken based on certain criteria. The purposive sampling technique is a sampling technique with certain characteristics or considerations (Hartono, 2013). In accordance with research objectives that are considered to represent research. The sample selection criteria studied were as follows: Number of Manufacturing Companies in the Food and Beverages sub-sector from the 2017-2020 period and listed on the Indonesia Stock Exchange, Manufacturing Companies in the Food and Beverages sub-sector and listed on the Indonesia Stock Exchange which will not experience suspension until 2020. Food Companies And Beverages which has complete data for research needs. The number of samples that include the sample selection criteria above is 21

companies in one year. The duration of the research will be 4 years, namely 2017-2020. So the research data can be seen as many as 84 samples of company data in the annual report of each company. Operational Variables are anything that takes any form that is determined by researchers to be studied so that information is obtained then accurate and relevant conclusions can be drawn.

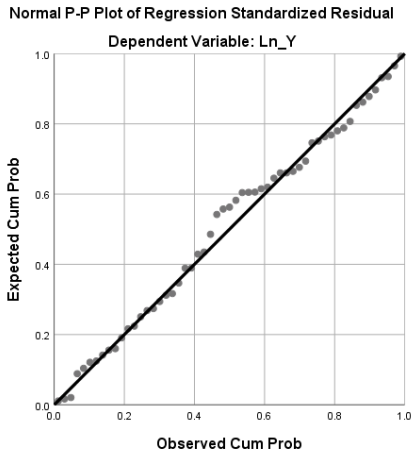
The dependent variable (tied) chosen by the researcher, namely Stock *Return* (Y), is the result obtained from the investment. Returns can be realized returns that have occurred or expected returns that have not occurred but are expected to occur in the future. While the Independent Variable that the researcher chose, namely *the Debt to Equity Ratio* (X1), is the company's ability to pay off the company's financial obligations, both short and long term. Debt to Equity Ratio can be said that a financial ratio that measures how much a company is financed using debt and the *Dividend Payout Ratio* (X2) is a decision whether the profit earned by the company will be returned to investors or will be retained to finance its investment in the future. Tests in this study are the classical assumption test, Normality Test, Multicollinearity Test, Heteroscedasticity Test, Autocorrelation Test and multiple linear regression analysis techniques, T Statistical Test, Simultaneous Test (F), Coefficient of Determination Test

DISCUSSION

Data Statistical Analysis

Classic assumption test

The normality test is done by looking at the distribution of points on the diagonal axis or graph. If the resulting data spreads around the diagonal line and follows the direction of the diagonal line, the regression model does not meet the normality assumption. This normality test can be done through graphic analysis and statistical analysis. To test the normality of the data, a normal probability plot is used, namely by looking at the distribution of data (points) on the diagonal axis of the graph. The basis for making decisions with graphical analysis is that if the data spreads around the diagonal line and follows the direction of the diagonal line or the historical graph shows a normal distribution pattern, then the regression model meets the assumption of normality. If the data spreads away from the diagonal or does not follow the direction of the diagonal line or the histogram does not show a normal distribution pattern, then the regression model does not meet the normality assumption.



Source: SPSS data processing output version 25
Figure 1 Graph of Normality Test

Normality Test Results

From Figure 1, the Normality Test can be seen that the points spread around the diagonal line and follow the direction of the diagonal line or follow the area of the linear line. This shows that the data from the regression model is feasible to be used to predict variables, namely Debt to Equity Ratio, Dividend Payout Ratio and Stock Return.

Statistic analysis

Statistical analysis to test the normality of the data can be used kolmogrov-smirnov. The basis for making statistical analysis decisions with one-sample-kolmogrov-smirnov (I-Sample KS) is If the value is asymp. Sig (2-tailed) < 0.05, then Ho is rejected. This means that the residual data is not normally distributed. If the asymp. Sig (2-tailed) > 0.05, then Ho is accepted. This means that the residual data is normally distributed.

Table 1
Normality Test Results

One-Sample Kolmogorov-Smirnov Test	
	Unstandardized Residuals
N	84
Normal Parameters [a,b]	-1.9402
	1.23948
Most Extreme Differences	092
	.065
	-.092
Test Statistics	092
asymp. Sig. (2-tailed)	.200 [c,d]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.
Source: SPSS data processing output version 25

From the results of the One-Sample-Kolmogrov-Smirnov test the asymp sig (2-tailed) value shows asymp Sig 0.200. significance value of 0.200 > 0.05. this shows that the regression model has distributed data with a total of 84 data.

Multicollinearity Test

Multicollinearity testing was tested using VIF (Variance Inflation Factor) and tolerance values from the regression model. The regression model is declared free from multicollinearity if VIF < 10 and tolerance > 0.10. The following are the results of the multicollinearity test.

Table 2
Multicollinearity Test Results

Coefficients [a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	std. Error	Betas			tolerance	IF
1	(Constant)	-1,430	.246		-1,482	.143		
	Debt to Equity Ratio	-.032	.162	-.024	.199	.842	.990	1010
	Dividend Payout Ratio	.121	087	-.166	3,096	005	.990	1010
a. Dependent Variable: Stock returns								

Source: SPSS data processing output version 25

From the data table 2 it can be concluded that each independent variable, namely the Debt to Equity Ratio and the Dividend Payout Ratio, has passed the Multicollinearity test. Because the tolerance value is more than the VIF value, all are below 10

Heteroscedasticity Test Results

The heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residuals of one observation to another. If the variance from the residual of one observation to another observation remains. Then it is called homoscedasticity and if it is different it is called heteroscedasticity, and a good regression model is one that has homoscedasticity or does not have heteroscedasticity (Ghozali, 2018). The results of the heteroscedasticity test are as follows:

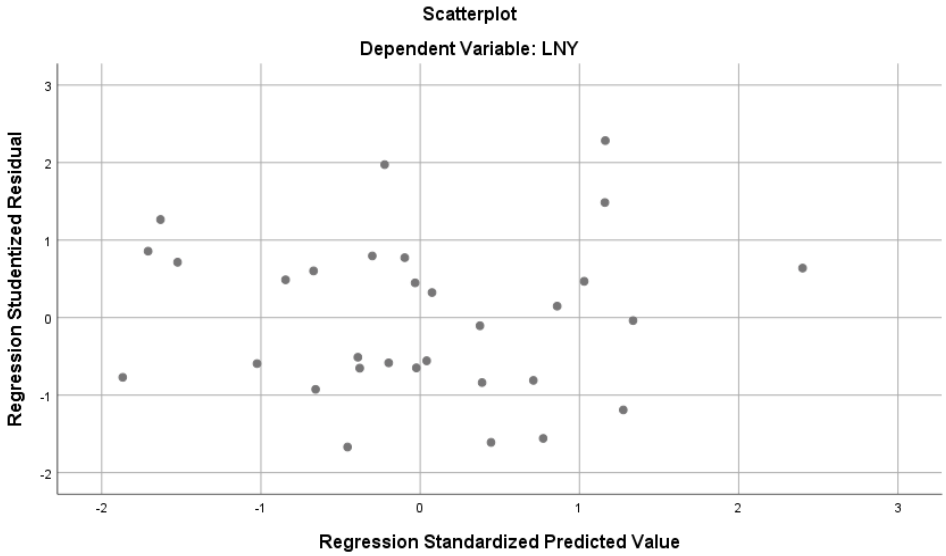


Figure 2
Heteroscedasticity Test Results
Source: SPSS data processing output version 25

From Figure 2, the results of the Heteroscedasticity Test, the study used the Scatterplot observing technique and the results of the Scatterplot graph show that the data plots are spread out and do not form a specific pattern. The point of spread is above and below the number 0 so that it can be concluded that there is no heteroscedasticity or in other words there is homoscedasticity because in Figure 4.4 it can be seen that the error is relatively constant so it does not show a pattern in variance.

Autocorrelation Test Results

Autocorrelation test aims to test whether in the linear regression model there is a correlation of confounding errors in period t with interfering errors in t-1 (previous) period

Table 3
Autocorrelation Test Results (Durbin-Watson)

Summary Model [b]					
Model	R	R Square	Adjusted R Square	std. Error of the Estimate	Durbin-Watson
1	.181 [a]	.378	.331	.70302	1,849
a. Predictors: (Constant), Debt to Equity Ratio, Dividend Payout Ratio					
b. Dependent Variable: Stock Return					

Source: SPSS data processing output version 25

From the results of the DW in table 4.5 it shows the results of the autocorrelation of the research variables, where the Durbin-Watson results are 1.849 whereas in the Durbin-Watson table values (n = 84) and (k = 2) the dL values are 1.5969 and the dU are 1.6942. Then the value of d

lies in the area dU < d < 4-dU (1.6942 < 1.849 < 2.3058) The conclusion is that there is no autocorrelation.

Descriptive Statistical Analysis

Descriptive statistics provide an explanation of the minimum, maximum, average (mean) and standard deviation values of the independent and dependent variables. From the SPSS 25 test results, the following statistical results are obtained :

Table 4
Results of Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Means	std. Deviation
Debt to Equity Ratio	84	1.49	1.12	1.97	.92464
Dividend Payout Ratio	84	2.11	3.01	2.85	1.72496
Stock returns	84	1.26	3.64	1.85	1.26120
Valid N (listwise)	84				

Source: SPSS data processing output version 25

Based on data from table 4, the Descriptive Statistics for companies in the food and beverage sector which are the research samples from 2017-2020 are explained as follows : Stock Return Variable (Y) has a minimum value of (1.26) and a maximum value of (3.64)). with an average (mean) of (1.85) and a standard deviation of (1.26120). This shows that stock returns in manufacturing companies in the food and beverages sub-sector are still relatively normal, 1.85 % above the minimum value. *Debt to Equity Ratio (X1*) has a minimum value of (1.49) and a maximum value of (1.12). with an average (mean) of (1.97) and a standard deviation of (0.92464). This shows that the Debt to Equity Ratio in manufacturing companies in the food and beverages sub-sector is still relatively normal, 1.97% above the minimum value. *The Dividend Payout Ratio (X2)* has a minimum value of (2.11) and a maximum value of (3.01) with an average (mean) of (2.85) and a standard deviation (1.72496). This shows that the Dividend Payout Ratio in manufacturing companies in the food and beverages sub-sector is still relatively normal at 2.85% above the minimum value.

Multiple Linear Regression Analysis

On the results of the classical assumption test carried out using the SPSS version 25 program, the regression model is feasible to use in this study. In this study the coefficients of the independent variables use unstandardized beta coefficients because all the independent variables have the same size, namely the ratio.

Table 5
Multiple Linear Regression Results

Coefficients [a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	std. Error	Betas		
1	(Constant)	-1,430	.246		-1,482	.143
	Debt to Equity Ratio	-.032	.162	-.024	.199	.842
	Dividend Payout Ratio	.121	087	-.166	3,096	005
a. Dependent Variable: Stock Return						

Source: SPSS data processing output version 25

Based on table 5 it can be seen that the regression equation formed is as follows:

$Y= \alpha + \beta 1X1 + \beta 2X2 + e$ or $Y = 1.430 - 0.032 (X1) + 0.121 (X2) + e$

In the regression equation model the data above can be interpreted as follows:

Constant (absolute value of Y) if all independent variables are 0, then Stock *Return* will have a value of 1.430. *Debt to Equity Ratio* (X1) 0.032 means that if the Debt to Equity Ratio decreases by 1 it will cause an increase in stock returns of 0.032, if other variables are constant. *Dividend Payout Ratio* (X2) 0.121 means that if the Dividend Payout Ratio increases by 1 it will cause an increase in stock returns of 0.121, if other variables are constant

Hypothesis Test Results

Partial Test (t test)

The t test was conducted to find out how much influence the independent variables have on the dependent variable partially, with the following criteria for testing the hypothesis : If t count > t table and sig < 0.05 then the hypothesis is accepted; If t count < t table and sig > 0.05 then the hypothesis is rejected

Table 6
Partial Test Results (t test)

Coefficients [a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	std. Error	Betas		
1	(Constant)	-1,430	.246		-1,482	.143
	Debt to Equity Ratio	-.032	.162	-.024	.199	.842

	Dividend Payout Ratio	.121	087	-.166	3,096	005
a. Dependent Variable: Stock Return						

Source: SPSS data processing output version 25

From table 6 above it can be seen that the t-count for the Debt to Equity Ratio variable is 0.199 < the t-table value of 1.994, the sig value is 0.842 > 0.05. Based on the results of testing the hypothesis above, H1 is rejected, which means the Debt to Equity Ratio has no effect on stock returns. Furthermore, for the dividend payout ratio variable, the t-count is 3.096 > the t-table value is 1.994, the sig value is 0.005 <0.05. Then accepted. Based on the results of testing the hypothesis above, H2 is accepted, which means the Dividend Payout Ratio has an influence on stock returns

Simultaneous Test Results (Test F)

The F test basically shows whether all the independent or independent variables included in the model have a joint effect on the dependent or dependent variable. Do the F test with the criteria that is if the F-count > F-table or sig < 0.05 then this means that the independent variable is able to explain the dependent variable together. Here are the test results:

Table 7
Simultaneous Test Results

ANOVA [a]						
Model		Sum of Squares	df	MeanSquare	F	Sig.
1	Regression	4,764	2	2,382	4,819	.017 [b]
	residual	12,356	25	.494		
	Total	17.120	27			
a. Dependent Variable: Stock Return						
b. Predictors: (Constant), Debt to Equity Ratio, Dividend Payout Ratio						

Source: SPSS data processing output version 25

Based on table 7 above, it can be seen that the F-count value is 4.819 > from the F-table value of 3.13 and the significant value obtained is 0.017 <0.05 so it is concluded that H_0 is accepted, which means *Debt to Equity Ratio* (X1) and *Dividends Payout Ratio* (X2) in simultaneous testing has an effect on Stock Return.

Determination Coefficient Test (R Square)

The coefficient of determination (R Square) aims to measure how far the model's ability to explain the variance of the dependent variable. The value of the coefficient of determination is between 0 and one small R2 value means that the ability of the independent variables to explain the variance of the dependent variable is very limited. A value close to one means that the independent variables provide almost all the information needed to predict the variance of the dependent variable. The greater the coefficient of determination, the greater the independent variance affecting the dependent variable, the value of the coefficient of determination can be seen in table 8 below :

Table 8
Coefficient of Determination (R Square)

Summary models				
Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	.181 [a]	.378	.331	.70302
a. Predictors: (Constant), Debt to Equity Ratio, Dividend Payout Ratio				

Source: SPSS data processing output version 25

From the results of the SPSS output in table 4.8 in the R Square column, the coefficient of determination is 0.378, which means 37.8%, this shows that the independent variables are able to explain stock returns, while the remaining 62.2% is explained by other factors. other than the variables studied.

Discussion

The results of the t test show that the two variables, namely the Debt to Equity Ratio and Dividend Policy, have different significant values. The Debt to Equity Ratio has a significant value of more than 0.05 and the Dividend Payout Ratio has a significant value of less than 0.05. The results of hypothesis testing are explained as follows:

Effect of Debt to Equity Ratio on Stock Returns

Based on the results of SPSS 25 obtained t-count 0.199 with a significant probability value of 0.842 and based on the t-distribution table obtained t-table of 1.994 because t-count < t-table (0.199 < 1.994) and sig > 0.05 (0.842 > 0.05) then it can be concluded that H1 is rejected, which means the Debt to Equity Ratio has no effect on stock returns. The test results have no effect because there are companies in the food and beverages sub-sector that have high debt. Therefore, the high or low debt to equity ratio has no effect on stock returns. If the company's debt to equity ratio is high, this means that asset funding is financed by many liabilities, so the company has a fairly high risk. This does not always affect stock returns to be low, this is due to other factors other than the debt to equity ratio which can affect stock returns. On the other hand, a high debt to equity ratio is a source of debt that can be utilized in the company's operations, which increases the company's profitability so that stock returns will adjust to this increase. This is in line with the signaling theory where the availability of high debt information on a company does not necessarily assume that the company will have difficulty bearing the debt burden because market participants must analyze this information properly to estimate the impact of the level of debt on stock returns. Market participants who can understand a level of debt itself affects or does not affect company shares can make decisions that will affect the risk of investment failure and research results from Sunaryo, D., Nafiuddin, Gentari, RE, Adiyanto, Y. (2022).. This research is not in line with the research results of Neni Marlina Br Purba (2019) research which states that the Debt to Equity Ratio has an effect on stock returns. A DER that is too high has a negative impact on company

performance, because with a higher debt level it means that the company's interest expense will be even greater and will reduce profits, with a high debt level charged to shareholders will certainly increase investment risk. However, this is in line with the results of research conducted by I Putra Dana (2016) which states that the Debt to Equity Ratio has no effect on stock returns. A high DER reflects greater profit before tax and interest which will increase earnings per share. By increasing earnings per share, the stock returns that will be obtained by investors will also increase.

Effect of Dividend Payout Ratio on Stock Return

The effect of dividend policy on stock returns based on the SPSS 25 calculation results obtained t-count 3.096 with a significant probability value of 0.005 and based on the t-distribution table obtained a t-table of 1.994 because t-count> t-table (3.096> 1.994) and sig < 0. 05 (0.005 <0.05) it can be concluded that H2 is accepted, which means the Dividend Payout Ratio affects stock returns. The test results show that the Dividend Payout Ratio with the dividend payout ratio has a direct impact on stock returns, this is because the greater the dividend payout ratio, the greater the dividends that will be distributed to shareholders, of course this is good news for shareholders. stock because the company will pay more dividends than retained earnings. In accordance with the signal theory where the announcement of dividend distribution gives a good signal for investors where investors make dividends a positive signal regarding the company's profitability in the future. This will be information dividend distribution effect on stock returns. This research is also supported by the results of Dewi's research (2016) which states that the Dividend Payout Ratio affects stock returns. And in line with Anisa Mulyadi's research (2019) which states that the Dividend Payout Ratio affects stock returns. However, this is not in line with Raisa Fitri's research (2017) which states that the Dividend Payout Ratio has no effect on stock returns. This is because the Dividend Payout Ratio can have an impact on the company's stock price. The value of the company is not determined by the size of the dividend payout ratio (DPR). But it is determined by net profit before tax. So the decline in stock prices which have an impact on the decline in stock returns is not affected by the size of the Dividend Payout Ratio.

Effect of Debt to Equity Ratio and Dividend Payout Ratio on Stock Returns

Based on the simultaneous hypothesis test, the results of SPSS 25 calculations obtained F-count 4.819 with a significant value of 0.017 and based on the distribution table f obtained F-table of 3.13 because F-count > F-table (4.819 > 3.13) and sig < 0.05 (0.017 <0.05) So it can be concluded that H3 is accepted, which means the Debt to Equity Ratio and Dividend Payout Ratio have an effect on Stock Returns. There is an influence because the Debt to Equity Ratio and Dividend Payout Ratio are the components that have the fastest impact on stock returns such as the Signal where when debt increases it is a signal for investors to be more careful in investing funds. When a company announces that it will distribute dividends, it is a positive signal for investors and the company will be considered to have good profitability. This is in line with the research results of Syakur Sochib and Khoirul Ifa (2019) which state that the Debt to Equity Ratio and Dividend Payout Ratio affect stock returns.

CONCLUSION

Based on the results of the analysis and discussion described in the previous chapter regarding the effect of the Debt to Equity Ratio and Dividend Payout Ratio on stock returns in manufacturing companies in the food and beverages sub-sector listed on the Indonesia Stock Exchange (IDX) for the 2017-2020 period, the conclusions of the study these are as follows: Debt to Equity Ratio has no effect on stock returns in manufacturing companies in the food and beverages sub-sector listed on the Indonesia Stock Exchange (IDX) for the 2017-2020 period. This indicates that a company that has a high level of Debt to Equity Ratio does not provide an influence to create investors' views regarding investing in a company. The Dividend Payout Ratio affects stock returns in manufacturing companies in the food and beverages sub-sector which are listed on the Indonesia Stock Exchange (IDX) for the 2017-2020 period. This proves that in accordance with the signal theory where the Dividend Payout Ratio gives a good signal for investors because it is considered a signal that the company's condition is good and will certainly attract investors to invest in the company. Based on the results of the F statistic, there is a simultaneous influence of the Debt to Equity Ratio and Dividend Payout Ratio variables on Stock Returns. It is further explained that the value of R Square (Coefficient of Determination) is 0.378 so that it can be interpreted that the effect of the Debt to Equity Ratio and Dividend Payout Ratio on Stock Returns is 37.8%, the remaining 62.2% (100% - 37.8%) is determined by other unknown factors and not included in this study.

Based on the conclusions and limitations of the research that has been described above, the researcher provides the following suggestions: for researchers who will conduct similar research, it is hoped that they can add or replace other variables besides the variables used in this study with other factors that may influence stock returns such as return on assets. (ROA), Company Size etc. For companies, the information obtained from this research should be used as material for consideration and input in making decisions related to increasing the value of stock returns through the Debt to Equity Ratio and Dividend Payout Ratio levels in order to be able to attract investors and companies must maintain the company's financial condition well.. For future researchers, it is hoped that they can examine manufacturing companies in other sectors such as basic and chemical industries, various industries, etc. And can increase the number of years of observation more than 4 years to make it more varied.

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