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The Effect Of Capital Structure On Profitability And Stock Returns In Property And Real Estate Companies Listed On The Indonesian Stock Exchange 2015-2020

Afitrah Reski[1], Erni Masdupi[1*]
[1] Universitas Negeri Padang, Padang, Indonesia

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ABSTRACT

This study aims to examine the factors that influence capital structure, profitability and stock returns as well as the relationship between capital structure, profitability and stock returns in property and real estate companies listed on the Indonesia Stock Exchange. Endogenous variables in this study are capital structure, profitability, and stock return, while exogenous variables in this study are firm size, growth, tangibility, liquidity, and volatility. In this study, capital structure and profitability also act as mediating variables. While the sample in this study used purposive sampling method, as many as 44 companies that entered the sample selection criteria. So that 264 total sample analysis units were obtained, but the final sample in this study was 185 sample analysis units due to outlier data. The type of data used in this study is secondary data obtained from the IDX in the form of published financial reports. The method used in this research is path analysis or path analysis using the help of the AMOS 22.0 program.

Based on the results of this study, it is found that company size and volatility have no significant effect on capital structure (DAR), while growth, tangibility, and liquidity have a significant effect on capital structure (DAR). Company size, growth, tangibility, liquidity and capital structure have a significant effect on profitability (ROA), while volatility has no significant effect on profitability (ROA). Firm size, growth, tangibility and capital structure (DAR) have no significant influence on stock returns, while liquidity and profitability (ROA) have a significant relationship to stock returns. Capital structure (DAR) is not able to mediate the relationship of firm size and growth to stock returns, while capital structure (DAR) is able to mediate the relationship of tangibility and liquidity to stock returns. Capital structure (DAR) and profitability (ROA) are able to mediate the relationship of growth, tangibility, and liquidity to stock returns, while capital structure (DAR) and profitability (ROA) are not able to mediate the relationship of firm size to stock returns. Profitability (ROA) is able to mediate the relationship between company size, growth, tangibility, and liquidity to stock returns.

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* *Corresponding author: e-mail:* afitrahhreskiakunt3@gmail.com

INTRODUCTION

The current economic development is slowly starting to increase from a few years ago. Companies that want progress in their field of business will need additional capital. One way for companies to obtain additional capital is by offering company ownership to the public through the capital market. According to Capital Market Law No. 8 of 1995, the capital market is an activity concerned with the offering of securities, public companies related to the securities issued, as well as institutions and professions related to securities.

The capital market has an important role in the economic progress of a country, because companies can get funds to support their business activities, one way is through the capital market facilities. The capital market can allocate funds efficiently and can channel the funds they have.

Stock investment is one type of investment in the capital market that is in great demand by investors in Indonesia. So investors need information or assessment of companies that issue their shares on the Indonesia Stock Exchange (IDX). Investors will be interested in investing in companies that can provide high returns. The return expected by investors is called return. Halim (2015) states that return is the income from a stock investment. The development of stock investment in Indonesia is characterized by the large number of investors who invest funds, one of which is in the service sector. Business in the service sector shows development every year. The service sector is one of the expected sectors in the Indonesian economy compared to other sectors, where the contribution of the service sector to the National PDB in 2015 reached 60% compared to previous years.

The performance and development of a company can be seen from the financial statements of a certain period of the company. In the financial statements, the profitability ratio is the most important information considered by investors. Investors want a relatively high return on the capital they invest. The high profitability of the company will provide a high return value to its investors. Between capital structure, profitability, and stock returns have a relationship between one another, this study is intended to examine the factors that affect the capital structure, and whether it also affects profitability and stock returns.

LITERATURE REVIEW

Traditional Theory

The traditional approach says that the use of debt to a certain extent will not increase the risk of the company. If there is no increase in risk, the cost of debt (Ki) and the cost of equity (Ke) will remain fixed. This will result in a decrease in the weighted cost of capital (Ko) as experienced in the net income approach.

Trade Off Theory

The trade-off theory arises from the merger of the Modigliani-Miller theory which includes bankruptcy costs and agency costs. The greater the benefits, the more debt will be added. On the other hand, the greater the proportion of debt, the greater the bankruptcy costs that may arise. Thus, the optimal capital structure can be achieved by balancing the benefits of using funds from debt with high interest rates and bankruptcy costs. Companies with a high level of business risk should use less debt than companies with low business risk. Because the greater the business risk, the use of debt will make it more difficult for the company to repay the debt.

Pecking Order Theory

This pecking order theory begins with asymmetric information, namely Myers believes that there is an information imbalance between company managers and investors. Investors have less information about the company than company managers. As a result, there are often different views on the policies taken by company managers.

Signalling Theory

Cue or signal according to (Brigham et al., 2011) is an action taken by company management that provides clues for investors about how management views the company's prospects. (Brigham et al., 2011) companies with favorable prospects will try to sell shares and seek any new capital needed in other ways, including the use of debt that exceeds the normal capital structure target.

The Effect of Company Size, Growth, Tangibility, Liquidity, and Volatility on Capital Structure

First, the size of the company, the large or small size of a company will affect the capital structure, if the bigger a company is, the bigger the funds needed by the company to invest.

Furthermore, growth reflects the success of the company in its operational activities to generate profits and the availability of internal funds. If the higher the asset growth, the capital structure will decrease.

Third is tangibility, tangibility describes some amount of assets that can be used as collateral because if the company is faced with difficult financial conditions in paying its debts, tangible assets or fixed assets owned by the company can be used as collateral to external parties who provide loans.

Next is liquidity, if the higher the liquidity of a company, the lower the proportion of debt in the capital structure of the company. Finally, volatility, a high level of volatility will make management have difficulty in obtaining external funds. The higher the level of earnings volatility, the greater the capital gain that will be obtained by investors when earnings reach the maximum level.

H1 : Company Size, Growth, Tangibility, Liquidity, and Volatility have a significant effect on Capital Structure

The Effect of Company Size, Growth, Tangibility, Liquidity, and Volatility on Profitability

The first is company size, the greater the value of company size can explain and predict an increase in probability, and vice versa if the smaller the value of company size can explain and predict a decrease in profitability. Furthermore, growth. Growth is expressed as the growth of total assets in the current year with total assets last year which will describe future profitability, high asset growth can generate high profits as measured by profitability. Tangibility, companies whose assets are partly in the form of accounts receivable and inventory, their value is highly dependent on the stability of the level of profitability and does not depend on short-term financing. The next factor is liquidity, if the company has a high level of liquidity, in the sense that the company can pay its short-term debt so that no more expenses occur so that the company can automatically increase its corporate profits. Volatility, volatility causes profits to be difficult to predict and even more difficult to predict when volatility is high, this will have an impact on the company's profitability.

H2 : Company Size, Growth, Tangibility, Liquidity, and Volatility have a significant effect on Profitability

The Effect of Company Size, Growth, Tangibility, Liquidity, Capital Structure, and Profitability on Stock Return

Company size affects stock returns, the larger the size of the company, the more likely it is that stock returns will also be higher. Company growth also affects stock returns, the higher the company's growth, the company's profitability will also increase, so that stock returns will be high. Tangibility, a company that has high tangibility means it has high fixed assets. A high level of fixed assets causes the company to not be free to move. Finally, the risk faced by the company will increase. As a result, investors will avoid this company which causes stock returns to decline. Liquidity, the higher the liquidity of a company, the company is considered capable of paying off its short-term obligations, so that it will attract investors to buy the company's shares, and ultimately will increase the stock price, so that stock returns will also increase. The next factor is capital structure and profitability, this factor is related to stock returns as explained above.

H3 : Company size, growth, tangibility, liquidity, capital structure and profitability have a significant effect on stock returns

The Effect of Company Size, Growth, Tangibility, Liquidity on Stock Return mediated by Capital Structure

So, the hypothesis from that mediate by capital structure is:

H4 : Company Size, Growth, Tangibility, Liquidity, have a significant effect on stock returns mediated by Capital Structure.

The Effect of Company Size, Growth, Tangibility, Liquidity on Stock Return mediated by Capital Structure and Profitability

So, the hypothesis from that mediate by capital structure and profitability is:

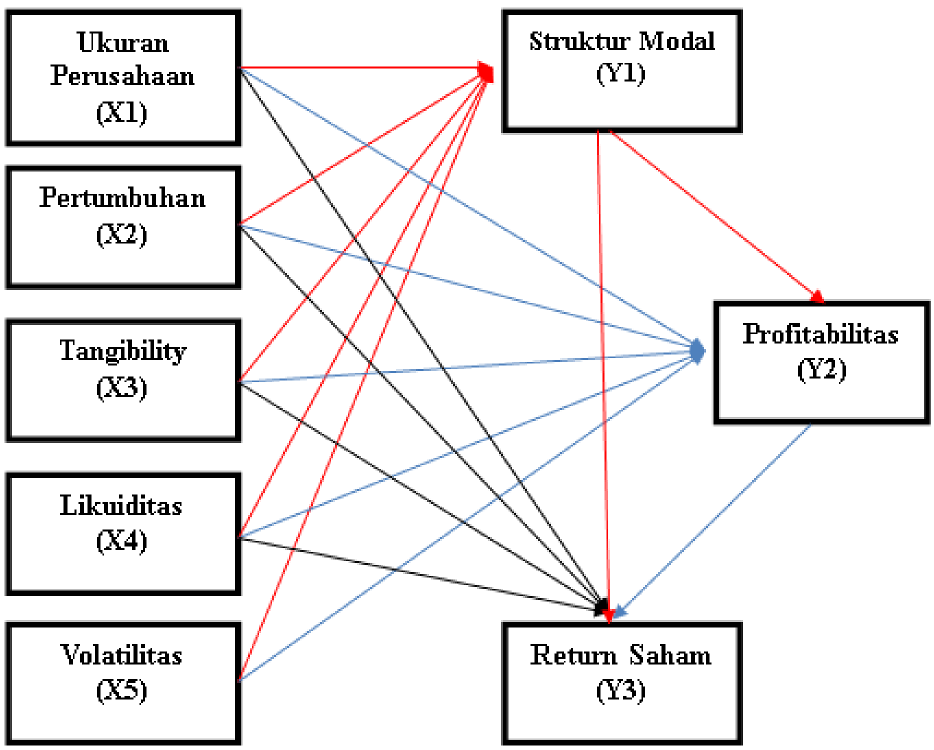
H5 : Company size, growth, tangibility, liquidity, have a significant effect on stock returns mediated by capital structure and profitability

The Effect of Company Size, Growth, Tangibility, Liquidity on Stock Return mediated by Profitability

So, the hypothesis from that mediate by profitability is:

H6 : Company size, growth, tangibility, liquidity, have a significant effect on stock returns mediated by profitability

Research Model



METHOD

The type of research used for this research is quantitative research, using a sample of 52 property and real estate companies, where the population in this study amounted to 44 property and real estate

companies. The type of data used by researchers in this study is secondary data, where the secondary data of this study is obtained from the financial statement data of the transportation sub-sector companies.
The secondary data of this study were obtained from the financial statement data of property and real estate companies listed on the Indonesia Stock Exchange, which were obtained from the official website of the Indonesia Stock Exchange, .
Indonesia Stock Exchange www.idx.co.id. The financial report data that will be used in this study is in the form of annual financial reports of listed companies, starting from 2015 to 2020. As for other data sources obtained from literature sources and books related to this research.
This study uses endogenous variables (Y) in the form of capital structure, profitability and stock returns. Then the exogenous variables (X) are company size, growth, tangibility, liquidity and volatility. endogenous variables of capital structure and profitability also act as mediating variables. Furthermore, in the data analysis stage, the testing process is carried out using the AMOS program, which will be described from the direct effect and indirect effect contained in this research variable.

RESULT AND DISCUSSION

Descriptive Statistics

Descriptive statistics describe data seen from the maximum value, minimum value, average (mean) and standard deviation.

Tabel 1. Descriptive Statistic

Variabel	Minimum	Maximum	Mean	Std. Deviation
DAR	0,06	0,78	0,3997	0,16457
ROA	-0,12	0,18	0,0286	0,05170
RETURN SAHAM	-0,87	0,73	-0,0587	0,25296
LN MARKET OF EQUITY	23,40	31,18	28,42	1,66
GROWTH	-0,12	0,29	0,0557	0,07720
TANGIBILITY	0,11	0,97	0,6270	0,20288
CURRENT RATIO	0,18	7,19	2,2112	1,45121
SDROA	0,00	0,13	0,0310	0,02534

Sumber : AMOS Data Processed (2023)

The minimum value of DAR obtained is 0.06, meaning that the lowest DAR obtained in the sample is 6% in the sample, while the maximum value of DAR obtained is 0.78, which means that the highest DAR received in the sample is 78%. For the mean or average value of DAR as a whole is 0.3997, which means that the average capital structure in property and real estate companies from 2015-2020 is 39.97%. Then the standard deviation value of the capital structure (DAR) of property and real estate companies in the span of 6 years is 0.16457 which means that the size of the data distribution from the average value is 16.457%. The minimum ROA value obtained is -0.12, meaning that the lowest ROA obtained in the sample is -12%, while the maximum ROA value obtained is 0.18, meaning that the maximum ROA value obtained is 18%. For the mean value of ROA as a whole of 0.0286 which means that the average profitability ratio of Property and Real Estate companies listed on the IDX from 2015-2020 is 2.86%. Then the standard deviation value of the profitability (ROA) of Property and Real Estate companies in the span of 6 years is 0.05170 which means that the size of the data distribution from the average value is 5.17%.

The minimum value of Stock Return obtained is -0.87, meaning that the lowest Stock Return obtained in the sample is -87%, while the maximum value of Stock Return obtained is 0.73, meaning that the maximum value of Stock Return obtained is 73%. For the mean value of the overall Stock Return of -0.0587, which means that the average ratio of Stock Return of Property and Real Estate companies listed on the IDX from 2015-2020 is -5.87%. Then the standard deviation value of the Stock Return of Property and Real Estate companies in the 6-year time span is 0.25296, which means that the size of the data distribution from the average value is 25.296%. The minimum value of LN Market Of Equity obtained is 23.4, meaning that the lowest LN Market Of Equity obtained in the sample is 2,340%, while the maximum value of LN Market Of Equity obtained is 31.18, meaning that the maximum value of LN Market Of Equity obtained is 3,118%. For the mean value of LN Market Of Equity as a whole of 28.42 which means that the average company size ratio of Property and Real Estate companies listed on the IDX from 2015-2020 is 2,842%. Then the standard deviation value of the company size (LN Market Of Equity) of Property and Real Estate companies in the span of 6 years is 1.657 which means that the size of the data distribution from the average value is 165.7%.

The minimum growth value obtained is -0.12, meaning that the lowest growth obtained in the sample is -12%, while the maximum growth value obtained is 0.29, meaning that the maximum growth value obtained is 29%. For the mean value of overall growth of 0.0557 which means that the average growth ratio of Property and Real Estate companies listed on the IDX from 2015-2020 is 5.57%. Then the standard deviation value of the growth of Property and Real Estate companies in the span of 6 years is 0.0772 which means that the size of the data distribution from the average value is 7.72%. The minimum tangibility value obtained is 0.11, meaning that the lowest tangibility obtained in the sample is 11%, while the maximum tangibility value obtained is 0.97, meaning that the maximum tangibility value obtained is 97%. For the mean value of overall tangibility of 0.6270 which means that the average tangibility ratio of Property and Real Estate companies listed on the IDX from 2015-2020 is 62.70%. Then the standard deviation value of the tangibility of Property and Real Estate companies in the span of 6 years is 0.20288 which means that the size of the data distribution from the average value is 20.288%.

The minimum value of liquidity obtained is 0.18, meaning that the lowest liquidity obtained in the sample is 18%, while the maximum value of liquidity obtained is 7.19, meaning that the maximum value of liquidity obtained is 719%. For the mean value of overall liquidity of 2.2112 which means that the average liquidity ratio of Property and Real Estate companies listed on the IDX from 2015-2020 is 221.12%. Then the standard deviation value of the liquidity of Property and Real Estate companies in the span of 6 years is 1.45121 which means that the size of the data distribution from the average value is 145.121%. The minimum value of SDROA obtained is 0.00, meaning that the lowest SDROA obtained in the sample is 0%, while the maximum value of SDROA obtained is 0.13, meaning that the maximum SDROA value obtained is 13%. For the mean value of SDROA as a whole of 0.0310 which means that the average SDROA ratio of Property and Real Estate companies listed on the IDX from 2015-2020 is 3.1%. Then the standard deviation value of the SDROA of Property and Real Estate companies in the span of 6 years is 0.02534 which means that the size of the data distribution from the average value is 2.534%.

Classic Assumption Test

Data Normality Test

The normality test was conducted to determine whether the data were normally distributed or not. To test normality in this study, using the multiviariate normality test.

Tabel 2. Normality Test Result

variabel	min	max	skew	c.r	kurtosis	c.r
X1	23,397	31,176	-0,374	-2,076	-0,428	-1,189
X2	-0,116	0,288	0,578	3,212	0,465	1,290
X3	0,110	0,973	-0,516	-2,867	-0,045	-0,126
X4	0,179	7,194	1,313	7,291	1,506	4,180
X5	0,005	0,131	1,459	8,100	2,360	6,552
Y1	0,062	0,777	-0,002	-0,009	-0,614	-1,704
Y2	-0,120	0,181	0,217	1,208	0,631	1,753

Y3	-0,874	0,728	0,275	1,524	1,082	3,004
Multivariate					**2,271**	**1,221**

Sumber : AMOS Data Processed (2023)

Based on the normality test results in table 3, it can be seen that the critical ratio (c.r) value of the multivariate on kurtosis is between -2.58 < 1.221 < 2.58. Based on these results, it can be stated that the data used in this study are normally distributed.

Multicollinearity Test

The multicollinearity test requires that there is no perfect or large correlation between exogenous variables. Multicollinearity can be determined from the value of the determinant of the covariance matrix in the AMOS model.

Tabel 3. Multicollinearity Test

Model AMOS	
Determinant of sample covariance matrix	0,000

Sumber : AMOS Data Processed (2023)

From table 3 above, it can be seen that the sample covariance matrix determinant value is 0.000. It can be concluded that there is no multicollinearity in this research data.

Hypothesis Test Result

The Direct Effect

The results of testing the direct hypothesis of the proposed research can be seen as follows:

Tabel 4. The Result of Direct Effect

Hipotesis			Estimate	S.E.	C.R.	P
Struktur Modal	<---	Ukuran Perusahaan	0,010	0,006	1,559	0,119
Struktur Modal	<---	Pertumbuhan	0,331	0,129	2,560	0,010
Struktur Modal	<---	*Tangibility*	-0,571	0,060	-9,498	0,000
Struktur Modal	<---	Likuiditas	-0,077	0,008	-9,332	0,000
Struktur Modal	<---	Volatilitas	0,708	0,377	1,880	0,060
Profitabilitas	<---	Ukuran Perusahaan	0,012	0,002	6,171	0,000
Profitabilitas	<---	Pertumbuhan	0,278	0,041	6,763	0,000
Profitabilitas	<---	*Tangibility*	-0,068	0,023	-2,943	0,003

Profitabilitas	<---	Likuiditas	-0,006	0,003	-2,039	0,041
Profitabilitas	<---	Volatilitas	-0,014	0,119	-0,121	0,903
Profitabilitas	<---	Struktur Modal	-0,112	0,023	-4,859	0,000
Return Saham	<---	Ukuran Perusahaan	0,010	0,013	0,800	0,424
Return Saham	<---	Pertumbuhan	-0,292	0,278	-1,050	0,294
Return Saham	<---	*Tangibility*	-0,159	0,143	-1,117	0,264
Return Saham	<---	Likuiditas	-0,038	0,019	-1,970	0,049
Return Saham	<---	Struktur Modal	-0,209	0,148	-1,408	0,159
Return Saham	<---	Profitabilitas	1,119	0,450	2,487	0,013

The Effect of Company Size on Capital Structure

P value of 0.119 > 0.05 with coefficient or Estimate value of 0.010 and C.R value of 1.559. These results indicate that firm size has a positive and insignificant effect on capital structure.

The Effect of Growth on Capital Structure

The result of P value is 0.010 <0.05 with coefficient or estimate value of 0.331 and C.R value of 2.560. It means that every 1% increase in the growth of a company will increase the DAR value of the company by 0.331. These results indicate that growth has a positive and significant effect on capital structure.

The Effect of Tangibility on Capital Structure

P value of 0.000 <0.05 with coefficient value or estimate -0.571 and C.R value of -9.498. This means that every 1% increase in the tangibility value of a company will reduce the DAR value by 0.571. These results indicate that tangibility has a negative and significant effect on capital structure.

The Effect of Liquidity on Capital Structure

The result of P value is 0.000 <0.05 with coefficient value or estimate -0.077 and C.R value of -9.332. This shows that every 1% increase in a company's current ratio will reduce the company's DAR value by 0.077. These results indicate that liquidity has a negative and significant effect on capital structure.

The Effect of Volatility on Capital Structure

The result of P value is 0.060 > 0.05 with coefficient or estimate value of 0.708 and C.R value of 1.880. This result shows that volatility has a positive and insignificant effect on capital structure.

The Effect of Company Size on Profitability

P value of 0.000 <0.05 with a coefficient or estimate of 0.012 and a C.R value of 6.171. This shows that every 1% increase in the LN Market Of Equity of a company will increase the ROA value by 0.012 of the company. These results also indicate that company size has a positive and significant effect on profitability.

The Effect of Growth on Profitability

The result of the P value of 0.000 <0.05, with a coefficient or estimate of 0.278 and a C.R value of 6.763. These results indicate that any increase in the growth value of a company by 1% will increase the company's ROA value by 0.278. The results of this test indicate that growth has a positive and significant effect on profitability.

The Effect of Tangibility on Profitability

The result of the P value of 0.003 <0.05 with a coefficient or estimate value of -0.068 and a C.R value of -2.943, meaning that every increase in the tangibility value of a company increases by 1%, it will cause a decrease in ROA in the company worth 0.068. These results indicate that tangibility has a negative and significant effect on profitability.

The Effect of Liquidity on Profitability

The result of the P value of 0.041 <0.05 and the coefficient or estimate value of -0.006 and the C.R value of -2.039, meaning that every 1% increase in the current ratio of a company will reduce the company's ROA value by 0.006. These results indicate that there is a negative and significant effect on profitability.

The Effect of Volatility on Profitability

The coefficient or estimate is -0.014 and C.R is -0.121 with a P value of 0.903> 0.05. These results indicate that there is a negative and insignificant effect between volatility and profitability.

The Effect of Capital Structure on Profitability

The result of the P value of 0.000 <0.05 and the coefficient or estimate value of -0.112 and the C.R value of -4.859. This means that every 1% increase in a company's DAR causes a decrease in the company's ROA by 0.112. This result indicates that capital structure has a negative and significant effect on profitability.

The Effect of Company Size on Stock Returns

The result of a P value of 0.424> 0.05 and a coefficient or estimate value of 0.010 and a C.R value of 0.800. These results indicate that company size has a positive and insignificant effect on stock returns.

The Effect of Growth on Stock Returns

P value of 0.294> 0.05 and a coefficient or estimate value of -0.292 and a C.R value of -1.050. This means that growth has a negative and insignificant effect on stock returns.

The Effect of Tangibility on Stock Returns

The result of a P value of 0.264> 0.05 and a coefficient or estimate value of -0.159 and a C.R value of -1.117. These results indicate that tangibility has a negative and insignificant effect on stock returns.

The Effect of Liquidity on Stock Returns

The result of the P value of 0.049 <0.05 and the coefficient or estimate value of -0.038 and the C.R value of -1.970. Based on these results, it can be interpreted that if the current ratio value of a company is 1%, it will reduce the company's stock return value by 0.038. These results can be concluded that liquidity has a negative and significant effect on stock returns.

The Effect of Capital Structure on Stock Return

The result of the P value of 0.159> 0.05 and the coefficient or estimate value of -0.209 and the C.R value of -1.408. These results indicate that capital structure has a negative and insignificant effect on stock returns.

The Effect of Profitability on Stock Return

P value of 0.013 <0.05 and a coefficient or estimate value of 1.119 and a C.R value of 2.487. Based on these results, it can be interpreted that if a company's ROA increases by 1%, it will increase the company's stock return value by 1.119. These results also show that profitability has a positive and significant effect on stock returns.

The Indirect Effect

The results of testing the indirect hypothesis of the proposed research can be seen as follows:

Tabel 5. The Result of Indirect Effect

Hipotesis							Direct	Inderect	Hasil
LN Market Of Equity	=>	DAR	=>	Return Saham			0,024	-0,003	Tidak Memediasi
Growth	=>	DAR	=>	Return Saham			0,020	-0,111	Tidak Memediasi
Tangibility	=>	DAR	=>	Return Saham			-0,235	0,191	Memediasi
Current Ratio	=>	DAR	=>	Return Saham			-0,045	0,026	Memediasi
LN Market Of Equity	=>	DAR	=>	ROA	=>	Return Saham	0,0103	0,0101	Tidak Memediasi
Growth	=>	DAR	=>	ROA	=>	Return Saham	-0,292	0,201	Memediasi
Tangibility	=>	DAR	=>	ROA	=>	Return Saham	-0,159	0,115	Memediasi
Current Ratio	=>	DAR	=>	ROA	=>	Return Saham	-0,038	0,019	Memediasi
LN Market Of Equity	=>	ROA	=>	Return Saham			0,006	0,014	Memediasi
Growth	=>	ROA	=>	Return Saham			-0,408	0,322	Memediasi
Tangibility	=>	ROA	=>	Return Saham			-0,040	-0,005	Memediasi
Current Ratio	=>	ROA	=>	Return Saham			-0,022	0,003	Memediasi

Sumber : AMOS Data Processed (2023)

The Effect of Company Size on Stock Return Through Capital Structure

The value of the direct effect is 0.024> indirect effect of -0.003. These results can be concluded that there is no mediating influence by capital structure between the relationship between company size and stock returns.

The Effect of Growth on Stock Returns Through Capital Structure

The result of the direct effect value of 0.020> indirect effect of -0.111. These results conclude that there is no mediating influence by the capital structure between the relationship between growth and stock returns.

Tangibility Effect on Stock Return Through Capital Structure

Direct effect value of -0.235 < indirect effect of 0.191. These results indicate that there is a mediating influence by the capital structure between the relationship between tangibility and stock returns.

The Effect of Liquidity on Stock Returns Through Capital Structure

The result of the direct effect value of -0.045 < indirect effect of 0.026. These results mean that there is a mediating influence by the capital structure between the liquidity relationship to stock returns.

The Effect of Company Size on Stock Returns Through Capital Structure and Profitability

The result of the direct effect of 0.0103> Indirect effect of 0.0101. These results indicate that there is no mediating influence by capital structure and profitability between the relationship between company size and stock returns.

The Effect of Growth on Stock Returns Through Capital Structure and Profitability

The result of direct effect of -0.292 < indirect effect of 0.201. These results indicate that there is a mediating influence by capital structure and profitability between the relationship between growth and stock returns, so it is concluded that the hypothesis is accepted.

The Effect of Tangibility on Stock Returns Through Capital Structure and Profitability

The result of the direct effect value of -0.159 < indirect effect of 0.115. These results indicate that there is a mediating influence by capital structure and profitability between the relationship between tangibility and stock returns.

The Effect of Liquidity on Stock Returns Through Capital Structure and Profitability

The result of direct effect of -0.038 < indirect effect of 0.019. These results indicate a mediating influence by capital structure and profitability between the relationship between liquidity and stock returns.

The Effect of Company Size on Stock Returns Through Profitability

The result of the direct effect of 0.006 < indirect effect of 0.014. These results indicate a mediating influence by profitability between the relationship between company size and stock returns.

The Effect of Growth on Stock Returns Through Profitability

The result of the direct effect of -0.408 < the indirect effect of 0.322. These results indicate that there is a mediating influence by profitability between the relationship between growth and stock returns.

The Effect of Tangibility on Stock Returns Through Profitability

The result of the direct effect of -0.040 < indirect effect of -0.005. These results indicate a mediating influence by profitability between the tangibility relationship on stock returns.

The Effect of Liquidity on Stock Returns Through Profitability

The result of the direct effect of -0.022 < indirect effect of 0.003. The results of this analysis indicate a mediating influence by profitability between the relationship between liquidity and stock returns.

CONCLUSSION

In accordance with the description of the analysis and discussion of the results of hypothesis testing, several important conclusions are proposed which are the answers to the problems discussed in this study, namely :

1. Company size has a positive and insignificant influence on capital structure in property and real estate companies.
2. Growth has a positive and significant influence on capital structure in property and real estate companies.
3. Tangibility has a negative and significant influence on the capital structure of property and real estate companies.

4. Liquidity has a negative and significant influence on capital structure of property and real estate companies.
5. Volatility has positive and insignificant relationship toward capital structure of property and real estate companies.
6. Company size has a positive and significant relationship to profitability in property and real estate companies.
7. Growth has a positive and significant relationship to profitability in property and real estate companies.
8. Tangibility has a negative and significant effect on profitability in property and real estate companies.
9. Liquidity has a negative and significant effect on profitability in property and real estate companies.
10. Volatility has a negative and insignificant effect on profitability in property and real estate companies.
11. Capital structure has a negative and significant influence on profitability in property and real estate companies.
12. Company size has a positive and insignificant influence on profitability in property and real estate companies.
13. Growth has a negative and insignificant relationship with stock returns in property and real estate companies.
14. Tangibility has a negative and insignificant relationship with stock returns in property and real estate companies.
15. Liquidity has a negative and significant relationship with stock returns in property and real estate companies.
16. Capital structure has a negative and insignificant relationship with stock returns in property and real estate companies.
17. Profitability has a positive and significant relationship with stock returns in property and real estate companies.
18. Capital structure cannot mediate the relationship between company size and stock returns.
19. Capital structure cannot mediate the relationship between growth and stock returns.
20. Capital structure can mediate the relationship between tangibility and stock returns.
21. Capital structure can mediate the relationship between liquidity and stock returns.
22. Capital structure and profitability cannot mediate the relationship between company size and stock returns.
23. Capital structure and profitability can mediate the relationship between growth and stock returns.
24. Capital structure and profitability can mediate the relationship between tangibility and stock returns.
25. Capital structure and profitability can mediate the relationship between liquidity and stock returns.
26. There is a mediating effect of profitability on the relationship between company size and stock returns.
27. Profitability can mediate the relationship between growth and stock returns.
28. Profitability can mediate the relationship between tangibility and stock returns.
29. Profitability can mediate the relationship between liquidity and stock returns.

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