THE INFLUENCE OF FINANCIAL PERFORMANCE AND GOOD CORPORATE GOVERNANCE ON THE SHARES PRICE CONTROLLED BY INTERNET FINANCIAL REPORTING

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ARTICLE INFO	ABSTRACT
	The purpose of this study was to analyze the influence of financial performance [Economic Value Added (EVA), Market Value Added (MVA)], Good Corporate Governance [Board of Commissioners (BoC), institutional ownership (IO)], and Internet Financial Reporting (IFR) on stock prices. With IFR to moderate EVA, MVA, BoC and IO on stock prices. The research samples are manufacturing companies with consumption products that listed on the Indonesian Stock Exchanges (IDX) from 2014 to 2019. The sampling technique used in this research is purposive sampling and to test the hypothesis, STATA software is used in analyzing the data. The results show that MVA has significant influence stock prices. However, EVA, BoC, IO and IFR could not influence stock prices. For IFR could moderate EVA, and MVA to influence stock prices. Though, IFR could not moderate BoC and IO to influence stock prices. The practical implication for this study, is helping the investor for decision making by not considering only for financial performance, but also good corporate governance.

INTRODUCTION

Following the first COVID-19 case discovered in Indonesia on March 2, 2020, the country's economy was ruined, and the composite stock price index immediately fell by 1.68% to 5,361. The government even tried to issue various policies but still could not maintain the Composite Stock Price Index (IHSG). As the number of COVID-19 patients continued to increase gradually, the capital market also kept to declining, prompting the Indonesia Stock Exchange (IDX) to announce a policy to stop or halt trading due to the market conditions. The IDX policy was implemented by the Head of the Capital Market Supervision Department 2A of the Financial Services Authority on March 10, 2020. Based on that decision, a 30-minutes trading halt was applied if there is a 5% sharp decline and another 30-minute recess for a 10% decrease in the same trading day. However, trading is suspended if the Composite Stock Price Index (IHSG) drops by 15% (Sugianto, 2020).

Although it is common for the index to fall, investors still often get shocked or worried and respond by panic selling, which can lead to huge losses. To overcome such issues, the government implemented various policies, such as changing stock auto rejection's lower limit from 10% to 7%, meaning that a stock that has dropped to 7% in a day cannot be traded anymore. Also, to withstand the stock sell-off wave driven by market panic, there is a buyback policy or share buyback by a company or its own

eminent. But, a General Meeting of Stockholders has to be conducted first, and the goal of the issuers should be to save their own shares in the capital market (Sugianto, 2020).

This phenomenon affects company finances, which also affects the stock market's prices. Several ways can help win competition and improve a company's financial performance if it implements the right strategy. For instance, by keeping stock prices in the green zone, the management plays a crucial role and should work extra hard to ensure financial performance and corporate governance run well, as they are some of the internal factors that affect the ups and downs of stock prices. In Indonesia, corporate governance has been introduced with the International Monetary Fund (IMF) concept, whose implementation is expected to make shareholders and creditors resume their investments. The consistent and effective implementation of the Good Corporate Governance (GCG) mechanism by a company will provide benefits, including reducing agency cost (cost borne by stockholders due to their delegation of authority to management), reducing capital costs, and increasing the long term value of shares in the public's perspective. Further, it will create stockholder support within the company through various strategies and policies adopted (Daniri, 2005).

The rapid developments compel companies to be up-to-date with the Internet as their business operations will be domiciled by the internet users. Indonesia is currently in the 4.0 industrial revolution or the digital era, and that has made the Capital Market and Financial Institution Supervisory Agency (Bapepam-LK) create a new policy. The Agency's Chairman's decree numbered Kep431 / BI / 2012 in Article 3 states that issuers or public companies that already had a web page before the regulation's enactment were required to submit annual reports on the website. However, those that lacked a page for making annual reports were required to have one within one year of the enactment. Technology enables companies to communicate easily with internal and external parties such as creditors and investors and provide them with financial reports (whether bad or good) on the Internet more quickly. The hope of management is that financial performance and corporate governance will stimulate an increase in the company's share price and be good news for investors. Also, they are expected to maintain the company's goals, such as maximizing stockholder wealth through maximizing firm value (Sartono, 2001). Firm value is the company's performance reflected by the stock price formed by supply and demand in the capital market (Harmono, 2011).

From the above description, this research examines the Effect of Financial Performance and GCG on Stock Prices with IFR as a Moderation Variable. Manufacturing companies in the consumer goods industry listed on the Indonesia Stock Exchange (BEI) from 2014-2019 were chosen for this research's sample because they are stable and are not easily affected by conditions that can shake the economy at any time. All groups can enjoy the industry, and investors will be interested in venturing into it, especially after seeing the promising business prospects for manufacturing companies.

The formulation of the problem in this study is:
1. What is the effect of EVA on stock prices?
2. How does the MVA affect stock prices?
3. How does the board of commissioners affect the stock price?
4. How does institutional ownership affect stock prices?
5. How does IFR affect stock prices?
6. How can IFR moderate EVA against stock prices?
7. How can IFR moderate MVA against stock prices?

8. How can IFR moderate the board of commissioners regarding stock prices?
9. How can IFR moderate institutional ownership of stock prices?

Therefore, this study aims to determine the effect of EVA, MVA, the board of commissioners, institutional ownership, and IFR on stock prices. It also considers the impact of IFR moderation of EVA, MVA, the board of commissioners, and institutional ownership on the stock price.

LITRATURE REVIEW
Agency Theory
Agency theory was first proposed by Jensen & Meckling (1976). It contains the agency relationship of a contract between one or more people (principal) and a manager (agent) to perform services on behalf of the principal. Agents are employed by principals to manage a company well and have the authority to make decisions regarding performance, such as the financial performance reported through the website or other news media. Positive financial performance and reports increase the stock price, whereas negative ones decrease the share price. Since Internet Financial Reporting (IFR) is now mandatory, investors can easily determine a company's condition before investing. Thus, managers have to act carefully because every step they take will greatly affect stock prices' ups and downs. In agency relationships, conflicts that can lead to information imbalance often arise between managers and shareholders as the two groups tend to prioritize themselves more than the company's value and to want high short-term profits, respectively. A poor relationship between management and principals can also affect corporate governance and worsen conditions, resulting in lower stock prices or even liquidation, especially if known by external parties such as investors, creditors, government, and other financial reporters. Therefore, the management should be more aware of the ins and out of the company and reduce conflicts with principals or shareholders by aligning each other's interests. The parties should also be open regarding the company's current conditions and disclose corporate governance as a tool for regulating their relationship and other external stockholders according to their rights and obligations.

Signaling Theory
The signaling theory was first coined by Spence (1973) in a study entitled Job Market Signaling. It involves two parties, namely the insider providing the signal and the outsider receiving the signal. It explains that the company is obligated to provide information in the form of annual reports, stock prices, company news, corporate governance and product information, and others to financial report users (creditors, investors, government, and the wider public). The information is the result of efforts made by the management to realize shareholders' expectations and to minimize the occurrence of information asymmetry between the company's internal and external parties. According to the signaling theory, the stock price is used as a signal to respond to the market. The financial reports being the most important part of a company's fundamental analysis, can be used by investors to make decisions. Nowadays, issuers are required to publish these reports on the Internet to their websites to facilitate access by all parties to help them determine the company's performance. This IFR minimizes information asymmetry because the issuers have to be open to all parties, especially about the financial performance, which can be measured using Economic Value Added (EVA) and Market Value Added (MVA). The information obtained through the calculation of EVA and MVA describes the amount of return on economic value and market value obtained by the company; a higher value indicates good financial performance and vice versa. Good financial performance and reports in IFR are encouraging news, and the absence of information asymmetry is a sign that corporate governance is working very well.

Financial Performance

To overcome the weaknesses of traditional accounting methods, in 1989, the American consulting firm "Stern Stewart Management Service of New York" introduced a new concept for measuring financial performance using EVA and MVA. The EVA method is a financial management system for measuring a company's economic profit. It states that welfare can only be created if the company can meet all operating and capital costs (Tunggal, 2001). According to Tunggal (2001), the formula for calculating

$$EVA = NOPAT - Capital\ Charges$$

$$\boxed{Economic\ Value\ Added = \text{Log EVA}}$$

LogEVA = the resulting economic value added for the current year that has been logged.

Brigham & Houston (2007) stated that MVA is the difference between the company stock's market value and the amount of the investor capital equity. Investors submitted their capital into the company expecting it to be managed productively (O'Byine & Young, 2001). Market value reflects market decisions on how managers handle the investment capital entrusted to the company and turns it into a bigger one. According to Brigham & Houston (2007), the formula for calculating the MVA value is as follows:

$$MVA = (\text{outstanding})(\text{stock price}) - \text{total of ordinary stock equity}$$

$$\boxed{Market\ Value\ Added = \text{Log MVA}}$$

LogMVA = the resulting market value added for the current year that has been logged.

Good Corporate Governance (GCG)

To implement an effective and efficient use in realizing the GCG concept, the National Committee on Governance Policy has established 5 GCG pillars; transparency, accountability, responsibility, independence, and fairness. The National Committee on Governance (2006) states that the board of commissioners is divided into two types; independent and affiliated commissioners. Independent Commissioners are members who are not affiliated with the board of directors, other boards of commissioners and have no business or other relationship that may influence them to act. Their number is calculated as follows (Boediono, 2005):

$$\text{Board of Commissioners} = \frac{\text{Number of Independent Commissioners}}{\text{Number of Commissioners}}$$

Institutional ownership means ownership of stocks by other companies that can control management performance to increase company value. It is formulated as follows (Boediono, 2005):

$$KI = \frac{\text{number of institutional stocks}}{\text{number of outstanding stocks}} \times 100\%$$

Stock Price

It is the price traded on the capital market based on the offer price and the bid price and is considered as a reflection of the company's performance or value. Meaning, if the performance or value increases, the stock price will also increase, and vice versa. The formula for calculating stock price, according to Fahmi (2012), is:

$$PER = \frac{market\ price\ per\ share}{earnings\ per\ share}$$

Internet Financial Reporting (IFR)

In this globalization era, the Internet has become a very significant necessity in all aspects of life, including the business aspect. Publishing the company's annual report on its website is a response to better and faster communication with stakeholders, especially investors. IFR can be of quality if the company can disclose financial reports via the Internet, and if it does, a score of one (1) will be given, but if it does not, a score of zero (0) will be given. The following is the measurement of the four IFR components according to (Almilia & Budisusetyo, 2011):

1. **Content (40%)**
   a. Annual report
   b. Quarterly report
   c. Stock Quote
   d. English Language
   e. Using HTML and PDF
2. **Timeliness (20%)**
   a. Press release
   b. News updates
   c. Audited report
   d. Quarterly report
   e. Stock quote updates
3. **Utilization of technology (20%)**
   a. Download plug-in
   b. Online feedback and support
   c. Presentation Slides
   d. Multimedia Technology
   e. XBRL
4. **User support (20%)**
   a. Has a FAQ
   b. Link to the main page
   c. Link to the top
   d. Sitemap
   e. Search

Therefore, the IFR index score assessment is through the IFR Disclosure Scores, namely:

$$IFR\ DS = \left(\frac{score}{max}\%cont\right) + \left(\frac{score}{max}\%time\right) + \left(\frac{score}{max}\%tech\right) + \left(\frac{score}{max}\%user\right)$$

Hypothesis Development:

Financial Performance against Stock Price

One of the important factors in investing is the price of shares owned by a company. The stock price is an indicator of the success of the company's management; thus, if it increases, potential investors will judge that the company has succeeded in managing its business and vice versa. Before investing, it is crucial to pay attention to the economic situation and conditions and consider various factors such as the company's financial performance, which can be measured in different ways, including by financial ratios and values. EVA and MVA are also new methods for measuring a company's financial performance based on value, and according to research by Ikbar & Dewi (2015), they partially affect stock prices. Further, Sonia & Bergitta's research (2014) on simultaneous (F test) and partial (t-test) showed that EVA, MVA, and Return on Investment (ROI) affect stock prices. Thus, before investing in stocks, potential investors usually look at a company's performance first to find out whether it is progressing well or vice versa. From the above description, the following hypothesis can be derived:

H$_1$: EVA effect on the stock price.

H$_2$: MVA effect on the stock price.

GCG on Stock Prices

The implementation of GCG is no longer an obligation but a necessity for every company. One of the bodies governing GCG is the Financial Services Authority Regulation (POJK) No 73 / Pojk.05 / 2016) concerned with Good Corporate Governance for Insurance Companies ("POJK 73/2016"). According to Article 1 number 25 POJK 73/2016, GCG (good corporate governance) for an insurance company is defined as the structure and process used and implemented by the insurance company's organs to improve the achievement of business results and objectives. It does so by optimizing the interests of

especially policyholders, the insured, participants, or parties entitled to benefit accountably based on statutory regulations and ethical values. The results show that good corporate governance, return on equity, and economic value added simultaneously affect stock prices (Silalahi & Suriani, 2019). The results of Mohamed & Elewa's research (2016) show that the GCG's quality can affect the company's stock price, but not trading volume. Therefore, investors should consider corporate governance apart from the company's financial performance when analyzing whether to invest or not. Good corporate governance will also help the company perform according to its objectives. Based on the description above, the following hypothesis can be drawn:

H₃: The board of commissioners affects stock prices

H₄: Institutional ownership affects stock price

IFR against stock prices

Based on the signal theory, IFR is used to provide information describing the company's current state to financial statements' users. Financial reports contain positive and negative company information having a significant effect on users' decisions, and the more the positive information provided, the more the stock price will increase. Stock market prices reflect the firm's value and the entire real-world risk complexity reflecting investment, financing, and dividend decisions (Keown et al., 2005). The results showed that internet financial reporting had a significant effect on stock prices and dividend yields. The study concludes that IFR allows companies to assess potential investors who are widespread worldwide and whose decision-making concerning investing in stocks will affect the company. It also recommends that official regulations be put in place to check the disclosure of fraudulent information that would deceive potential investors and that punitive action should be taken against companies that make mistakes to protect investors' decisions (Olowookere & Agbesanya, 2018). IFR can also aid in investment analysis and reduce information asymmetry because anyone requiring company data can access it from the website. Based on the description above, the following hypothesis can be drawn:

H₅: IFR affects stock prices

Financial performance on stock prices with IFR as a moderating variable

Every company listed on the IDX is required to submit financial reports prepared according to Financial Accounting Standards and audited by a public accountant registered with Bapepam-LK (Apriliane, 2015). This regulation encourages companies to adopt the IFR technology to report their financial and non-financial information. The results showed that IFR can strengthen the effect of financial performance on firm value such that when companies use it to transfer positive signals to investors, and they respond by investing, the impact of financial performance on firm value becomes stronger. This study's results indicate that IFR in Indonesia has provided benefits in conveying positive corporate signals to investors (Agustina & Suryandari, 2017). Publishing financial reports to the Internet is very important as they form management accountability to stakeholders and stimulate potential investors to invest in the company, leading to an increase in stock price.

Based on the description above, the following hypothesis can be drawn:

H₆: IFR moderates the relationship between EVA and stock prices

H₇: IFR moderates the relationship between MVA and stock prices

### GCG against Stock Prices with IFR as a Moderating Variable

Publishing corporate governance to the public can minimize information asymmetry. The FASB 2000 Business Reporting Research Project Steering Committee revealed that companies have several reasons or motives for adopting IFR, including expanding the reach of information delivery and providing up-

to-date information, efficiency, and effectiveness. Information disclosure on the website is also one of the company's efforts to reduce information asymmetry brought by the management and outside parties. The results show that the timely information disclosure on corporate websites increases with smaller boards, more non-executive directors, separate individuals for the CEO, chairman of the board of directors, and larger financial firms with a larger proportion of shares owned by outsiders. This suggests that corporate governance and company-specific characteristics affect its timeliness, the resulting agency costs, and internet reporting behavior in response to the information asymmetry between management and investors. (Al-Shammari & Al-Saidi, 2015). Also, the relationship between corporate governance and internet financial reporting is weak because board characteristics do not affect information disclosure levels via the Internet. Still, the size of the board of commissioners and the big4 companies has a positive relationship with IFR. This study recommends that regulatory bodies should develop guidelines for companies registered in Bahrain to disclose information via the Internet to increase their level of transparency (Sanad & Al-Sartawi, 2016). The corporate governance mechanism can predict IFR and its components, content, and format more accurately than the company's financial characteristics (Yassin, 2017). Agency theory explains the problem of information asymmetry, which occurs when management has more detailed information than shareholders and may commit fraudulent acts such as providing incorrect information and manipulating financial reports. Of course, doing so can affect the current and future stock prices. Based on the description above, the following hypothesis can be drawn:

H8: IFR moderates the relationship between the board of commissioners and the stock price
H9: IFR moderates the relationship between institutional ownership and stock prices

Based on the literature review and the studies described, the research model can be illustrated as follows:
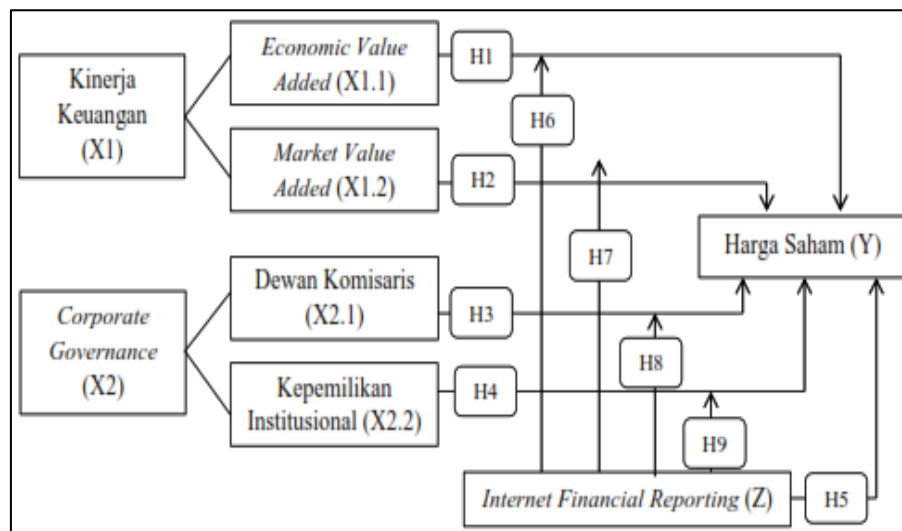
Figure 1: Research Model

METHOD

This research included manufacturing companies in the consumer goods industry listed on the IDX during the period 2014 – 2019. Sampling was carried out using the purposive method to obtain a representative sample according to the specified criteria. T

The method involved collecting, recording, and reviewing secondary data in the form of financial reports published on the company website. After that, the data were recapitulated using the Microsoft Excel program to help with the data processing at Stata.\

Table 1: Data Selection

Sample Criteria	Total
The manufacturing companies of the consumer goods industry listed on the IDX the 2014-2019 period	58
Consecutive listings on the IDX during the period 2014 - 2019	39
The companies without a website that can be accessed	(3)
The companies that did not publish an annual report on their website during the period 2014 - 2019	(6)
The companies that experienced losses during the period 2014 - 2019	(17)
The number of research samples	13
The number of research years	6
The number of research samples used	78

Source: Processed data (2020)

RESULT AND DISCUSSION
Classical Assumption Test

Table 2: Classical Assumption Test

Classical Assumption Test	Requirements	Value	Results
Normality test	Combine K-S > 5%	0.5680	Data normally distributed
Autocorrelation test	Nilai Prob > F >5%	0.9404	No autocorrelation
Multicollinearity test	VIF >5%	2.16	No multicollinearity
Heterokedasticity test	Prob > Chi2>5%	0.1405	No heteroskedasticity

Source: The result of data processing by STATA, 2020.

Model Selection Test

Table 3: Model Selection Test

Test	Requirements	Value	Results
Common Effect	Value Prob > F <5%	00000	H_0 rejected
Fixed Effect	Value Prob > F <5%	0.2962	H_0 accepted
Random Effect	Prob > Chi2>5%	0.0030	H_0 rejected

Source: The result of data processing by STATA, 2020.

Best Model Selection Test

Chow test is used to select one model between the fixed effect and single effect models in the panel data regression. The rho value of 0.79995992 greater than 0.05 was used in the fixed-effect model, making it better than the common effect model, thus, the hypothesis is accepted. Hausman test was used to compare the random effect model with fixed effect model.

Table 4: Hausman Test

	Coeficients			
	(b) fixed	(B) Random	(b-B) Difference	sqrt (diag (V_b-V_B)) S.E.
Logeva	-11.0141	-3.861864	-7.152238	6.33895
Logmva	4.486526	8.910893	-4.424367	7.508989
Dk	8.603581	8.788777	-.1851955	7.508989
Ki	20.74334	8.89904	11.8443	16.93737
Ifr	-2.755667	9.951299	-12.70697	16.40958
b = consistent under Ho and Ha; obtained from xtreg				
B = inconsistent under Ha, efficient under Ho; obtained from streg				
Test : Ho : difference in coefficients not systematic				
chi2 (5) =	(b-B) ' [(V_b-V_B) ^ (-1)] (b-B)			
=	4.10			
Prob>chi2 =	0.5358			

Source: *The result of data processing by STATA, 2020.*

Based on the table above, the value of Prob> chi2, 0.5358 is greater than the significance level (5%), meaning the random effect model is better, making the null hypothesis accepted. Lagrange Multiplier test is conducted to determine the best model between the common effect and random effect.

Table 5: Lagrange Multiplier Test

. xtest0			
Estimated results :			
		Var	sd = sqrt (Var)
	hs	122.5325	11.06944
	e	44.04469	6.636618
	u	40.65539	6.376158
Test : Var (u) = 0			
		chibar2 (01) =	17.31
		Prob > chibar2 =	0.0000

Source: *The result of data processing by STATA, 2020.*

The table above shows that the Prob value > chibar2 is 0.0000, which is smaller than the significance level (5%). Therefore, the random effect model is better, and the null hypothesis is accepted. Three different model estimation techniques were used to select the best model out of these; common, fixed, and random-effects models. The best model, according to the chow test, is the fixed effect, while the random effect model is the best from both the Hausman and the Lagrange multiplier tests. Therefore, it can be concluded that the random effect model is the best in panel data regression.

Regression Analysis
Determination Coefficient: From the table of common effect, the R-square value was 0.4791, which indicates that the stock price can be explained by independent variables such as EVA, MVA, the board of commissioners, and institutional ownership with moderating variables IFR of 47.91% and 52.09%. Also, stock prices' variation can be explained by other variables outside this research's model.

F statistical test (simultaneous test) is conducted to determine whether the independent variables affect the dependent variable together or simultaneously. It is performed by looking at the regression results for the Prob> chi2 value of the model appropriate for estimating panel data regression. The best and

appropriate model tested is the random effect model, whose Prob> chi2 value from the regression results is 0.0030 and is smaller than the significance level (5%). This shows that the independent variables have a significant effect on the dependent variable together or simultaneously.

The t-statistical test (partial test) is conducted to predict the presence or absence of partial effect on the independent variable. It is conducted by looking at P>|z| from the regression estimates of the tested random-effects model. The values of P>|z| were 0.159, 0.001, and 0.418 for the logeva, logmva, and dk variables, respectively, and they were higher, lower, and higher than the significance level (5%), respectively. Further, its value for the ki variable was 0.363 and 0.498 for IFR, which were higher than the significance level (5%). This shows that the independent variables have no partial effect on stock prices' dependent variable, except the MPA.

Linear Regression Test

Linear regression testing aims to determine the effect between variables, using a standard of 0.05 or 5% for the significance level. It is done to find out whether the hypothesis is accepted or rejected.

The regression equation to the variable Y is:

$Y = \alpha + \beta_1 LogEVA + \beta_2 LogMVA + \beta_3 DK + \beta_4 KI + \beta_5 IFR + e$ ....(1)

$Y = (-65,4736) + (-3,861864) + 8,910893 + 8,788777 + 8,89904 + 9,951299 + e$ ....(1)

Table 6: Regression Test for Variable Y

. xtreg hs logeva logmva dk ki ifr, re						
Random-effects GLS refression				Number of obs =		78
Group variable: no				Number of groups =		13
R-sq :	within =	0.0599		Obs per group: min =		6
	between =	0.6596		avg =		6.0
	overall =	0.4658		max =		6
				Wald chi2(5) =		17.99
Corr (u_i, X) =		0 (assumed)		Prob > chi2 =		0.0030
Hs	Coef.	Std. Err.	Z	P>|z|	[95% Conf. Interval]	
Logeva	-3.861864	2.736977	-1.41	0.158	-9.226241	1.502514
Logmva	8.910893	2.616477	3.41	0.001	3.782692	14.03909
Dk	8.788777	10.84186	0.81	0.418	-12.46088	30.03843
Ki	8.89904	9.78577	0.91	0.363	-10.28072	28.0788
Ifr	9.951299	14.6964	0.68	0.498	-18.85312	38.75572
_cons	-65.4736	28.78095	-2.27	0.023	-121.8832	-9.063983
sigma_u	6.3761579					
sigma_e	6.6366177					
Rho	.47999231	(fraction of variance due to u_i)				

Source: The result of data processing by STATA, 2020.

The equivalent regression to variable Y is moderated by variable Z (IFR):

$Y = \alpha + \beta\_1 LogEVA\ IFR + \beta\_2 LogMVA\ IFR + \beta\_3 DK\ IFR + \beta\_4 KI\ IFR + e$ ....(2)

$Y = 10,0301 + (-8,497935) + 8,358767 + 19,06674 + 1,409239 + e$ ....(2)

Table 7: Regression Test for Variable Y moderated by Variable Z

. xtreg hs logeva_ifr logmva_ifr dk_ifr ki_ifr, re						
Random-effects GLS refression				Number of obs =		78
Group variable : no				Number of groups =		13
R-sq :	within =	0.0535		Obs per group: min =		6
	between =	0.4253		avg =		6.0
	overall =	0.3023		max =		6
				Wald chi2(4) =		9.97
Corr (u_i, X)	=	0 (assumed)		Prob > chi2 =		0.0409
Hs	Coef.	Std. Err.	Z	P>|z|	[95% Conf. Interval]	
Logevaifr	-8.497935	3.806834	-2.23	0.026	-15.95919	-1.036677
Logmvaifr	8.667358	3.477735	2.40	0.016	1.542532	15.175
Dkifr	19.06674	15.16353	1.26	0.209	-10.65323	48.78671
Kiifr	1.409239	14.97573	0.09	0.925	-27.94265	30.76113
_cons	10.0301	10.35059	0.97	0.333	-10.25669	30.31689
sigma_u	7.4377892					
sigma_e	6.5921159					
Rho	.56005827	(fraction of variance due to u_i)				

Source: *The result of data processing by STATA, 2020.*

Discussion of the Hypothesis

The Effect of EVA on Stock Prices

The linear regression test on the variable EVA on the stock prices as the first hypothesis shows the value $P> |z|$ is equal to 0.158 or greater than 0.05, where the resulting coefficient value is -3.861864. The hypothesis will be accepted if $(P> |z|) <0.05$, which means EVA does not affect stock prices. Thus, these results are in line with the research carried out by Putra & Sibarani (2018) and Sulastiarini & Gustyana (2019) that EVA does not affect the price. However, they are different from previous research from Ikbar & Dewi (2015), Novitasari & Erari (2017), and Sonia & Bergitta (2014), that EVA affects stock prices. This shows that the first hypothesis (H_1) was rejected because the profit generated does not meet the expectations of creditors and company stockholders (investors) by creating economic added values in the form of profit.

The Effect of MVA on Stock Prices

The linear regression test on the variable MVA on the stock prices as the second hypothesis shows that $P> |z|$ is equal to 0.001 or less than 0.05, where the resulting coefficient value is 8.910893. The hypothesis will be accepted if $(P> |z|) <0.05$, which means MVA affects stock prices. Thus, these results are in line with the research carried out by Putra & Sibarani (2018), Ikbar & Dewi (2015), Novitasari & Erari (2017), and Sonia & Bergitta (2014) that MVA affects the stock prices. However, they are different from Sulastiarini & Gustyustyna (2019) research, that MVA does not affect the stock prices. This shows that the second hypothesis (H_2) is accepted because the management has succeeded in providing added value through the growth in market capitalism and the launched stock's value, or the company can sell stock at a price higher than the market price.

The Effect of the Board of Commissioners on the Stock Prices

The linear regression test on the board of commissioners variable on stock prices as the third hypothesis shows the value $P> |z|$ is equal to 0.418 or greater than 0.05 where the resulting coefficient value is 8.788777. The hypothesis will be accepted if $(P> |z|) <0.05$, meaning that the board of commissioners does not affect stock prices. Thus, this finding is in line with the research carried out by Karamoy &

Tulung (2020), Helfi (2017), and Nolita & Fitria (2018) that the board of commissioners does not affect stock prices. However, it is different from the previous research from Pongkorung et al. (2018), and Prastika & Putra (2015) that the variable affects stock prices. This shows that the third hypothesis (H_3) is rejected because the independent commissioners within the company have not carried out their duties in monitoring and supervising management maximally, hence, the agency conflicts and information asymmetry still occur.

The Effect of Institutional Ownership on Stock Prices

The linear regression test on the institutional ownership variable on stock prices as the fourth hypothesis shows the value P> | z | is 0.363 or greater than 0.05, where the resulting coefficient value is 8.89904. The hypothesis will be accepted if (P> | z |) <0.05 and means institutional ownership does not affect stock prices. Thus, this finding is in line with the research carried out by Pongkorung et al. (2018) and Helfi (2017) that institutional ownership does not affect stock prices. However, it is different from research from Karmoy & Tulung (2020), and Nolita & Fitria (2018) that institutional ownership affects stock prices. This shows that the fourth hypothesis (H_4) is rejected because institutional investors in the sample firms are non-active and rely solely on the management for corporate governance. They rarely handle events experienced by the companies directly but only want large profits quickly.

The Effect of IFR on Stock Prices

The linear regression test on the variable IFR on stock prices as the fifth hypothesis shows the value P> | z | is 0.498 or greater than 0.05, where the resulting coefficient value is 9.951299. The hypothesis will be accepted if (P> | z |) <0.05, which means IFR does not affect stock prices. Hence, this finding is not consistent with the research conducted by Marsudi & Sasongko (2015), and Olowookere & Agbesanya (2018) that IFR affects stock prices. It shows that the fifth hypothesis (H_5) is rejected because according to the Chairman of Bapepam-LK No. Kep-431 / BL/2012 in Article 3, IFR is a voluntary disclosure, meaning that every company should have a website to report its activities for investors and others to see. However, investors do not focus on such crucial information presented on the website, but instead on the company's stock prices' history and good news.

The effect of EVA on Stock Prices moderated by IFR

The linear regression test on EVA's effect on stock prices moderated by IFR as the sixth hypothesis shows the value P> | z | is 0.026 or smaller than 0.05, where the resulting coefficient value is -8.497935. The hypothesis will be accepted if (P> | z |) <0.05, which means IFR moderates the effect of EVA on stock prices. It shows that the sixth hypothesis (H_6) is accepted because EVA presented in IFR experienced an increase in earnings, resulting in a return on stock higher than the capital cost. This gives a positive signal to investors who may have an interest in investing, leading to an increase in stock prices.

The effect of MVA on Stock Prices moderated by IFR

The linear regression test on MVA's effect on stock prices moderated by IFR as the seventh hypothesis shows the value P> | z | is 0.016 or smaller than 0.05, where the resulting coefficient value is 8.358767. The hypothesis will be accepted if (P> | z |) <0.05, meaning that IFR moderates the effect of MVA on the stock prices. This shows that the seventh hypothesis (H_7) is accepted because MVA presented in IFR can provide added value through the growth of the market capitalization values regarding the launched stock, resulting in increased stock prices.

The Effect of Board of Commissioners on the Stock Price moderated by IFR

The linear regression test on the board of commissioners' effect on stock price moderated by IFR as the eighth hypothesis shows the value $P > |z|$ is 0.209 or greater than 0.05, where the resulting coefficient value is 19.06674. The hypothesis will be accepted if $(P > |z|) < 0.05$, and that means IFR does not moderate the effect of the board of commissioners on the stock prices. It shows that the eighth hypothesis (H_8) is rejected because the number of the board of commissioners does not affect the management's performance in executing the company activities and website reports efficiently. If the management continues to update the IFR late or leave websites incomplete, the stock price will drop unpredictably since investors always check the company's historical stock prices and good news before investing.

The Effect of Institutional Ownership on Stock Price moderated by IFR

The linear regression test on the institutional ownership's effect on stock prices moderated by IFR as the ninth hypothesis shows the value $P > |z|$ is 0.925 or greater than the significance value of 0.05, where the resulting coefficient value is 1.409239. The hypothesis will be accepted if $(P > |z|) < 0.05$, and that means IFR does not moderate the effect of institutional ownership on stock prices. It shows that the ninth hypothesis (H_9) is rejected because stockholders only want a fast and large return stock; hence, the amount of stock held by private, public, domestic, or foreign institutions as presented through IFR on the website does not influence investors.

CONCLUSION

The test results show that EVA, MVA, the board of commissioners, institutional ownership, and IFR all do not affect stock prices. They also show that IFR moderates EVA on stock prices but does not moderate the board of commissioners and institutional ownership. For companies, this research is expected to help improve financial performance and corporate governance because doing so can attract interested investors. The complete and up-to-date annual reports posted on a company's website can be important for making investment-related decisions for investors. Finally, we expect to conduct research for a longer period using data from companies in other sectors, add another variable and use an indicator or a new measurement.

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