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THE EFFECT OF ECONOMIC VALUE ADDED (EVA) AND MARKET VALUE ADDED (MVA) ON STOCK RETURN IN PHARMACEUTICAL COMPANIES LISTED ON THE IDX PERIOD 2017-2020

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Abstract

This study aims to determine the effect of Economic Value Added (EVA) and Market Value Added (MVA) on Stock Returns in Pharmaceutical Companies Listed on the IDX for the 2017-2020 period. The population in this study are pharmaceutical companies listed on the IDX in 2017-2020. Sampling using Purposive Sampling method. The samples consisted of 11 companies from 12 pharmaceutical companies listed on the IDX for 2017-2020, so that the research data analyzed consisted of 44 samples. Economic Value Added (EVA) and Market Value Added (MVA) as independent variables and Stock Return as the dependent variable. Data analysis used was SPSS V23. Data collection techniques were carried out by documentation studies, literature studies, and web searching. As for data management techniques using descriptive statistical analysis, classical assumption test, multiple linear regression analysis and hypothesis testing. Based on the results of data analysis using the coefficient of determination test (R^2) the results of 23.0% Economic Value Added (EVA) and Market Value Added (EVA) jointly affect stock returns, while the remaining 77.0% is influenced by other variables not examined in this study. From the results of the multiple linear regression test, the results of the study obtained the regression equation Y = (-6.646) + (-0.017) X_1 + 0,597 X_2 + e , based on the results of the t (partial) test shows that partially Economic Value Added (EVA) has no significant effect on Stock Returns with a sig value of 0.935 > 0.05 and Market Value Added (MVA) partially has a significant effect on Stock Returns with a value sig 0.006 <0.05. From the F test (Simultaneous) obtained Fcount 4.489 > Ftable 3.30 with a sig level of 0.020 <0.05 indicating that Economic Value Added (EVA) and Market Value Added (EVA) together have an effect on Stock Returns.

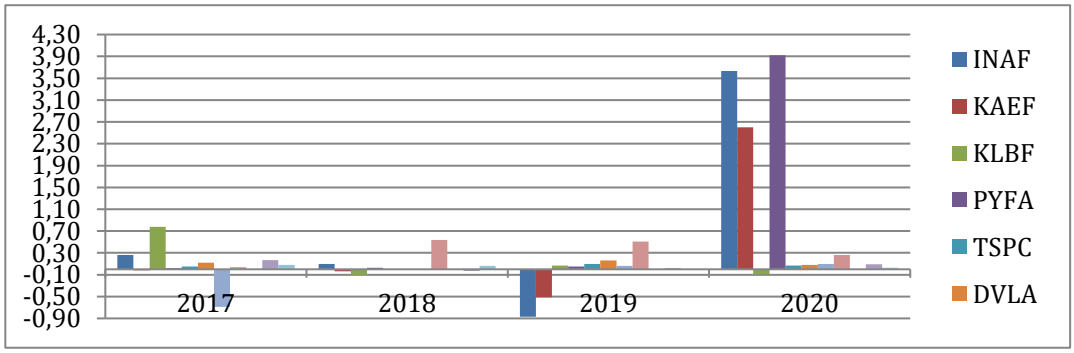
1. INTRODUCTION

Background problem

The capital market is a means for fund owners or investors to invest in companies that need funds. According to Abdul Halim (2009), "Investment is essentially the placement of a number of funds at this time with the hope of obtaining profits in the future". Another understanding of the capital market is as a market for various long-term financial instruments (securities) that can be traded in the form of debt or equity, both issued by the government, public authorities., and private sector (Husnan, 1994).

The main reason investors invest in the capital market is to make a profit. According to (Hadi, 2013) in the context of investment management, the level of profit enjoyed by investors on an investment is referred to as return.. In investing, an investor definitely expects profits and may not want to make an investment that does not generate profits. Stock return is the difference between the selling price or the current price and the purchase price or the beginning of the period. Thus it can be concluded from the notion of Return Shares are a reciprocal of investments made by investors or shareholders in the form of profits obtained from buying and selling shares in the capital market, both in the form of dividend income and the difference between the selling price of shares and the buying price of shares because the greater the profit distributed in the form of dividends, the potential investors will assess that the company is in a healthy condition and has good prospects in the future. The following is a graph of the movement of the stock returns of pharmaceutical companies listed on the Indonesia Stock Exchange for the 2017-2020 period.

Picture 1: Movement graph *Return* Pharmaceutical company shares listed on the Indonesia Stock Exchange for the 2017-2020 period.



Source:www.Idx.co.id (Data processed 2021)

Based on graph 1 above, the ups and downs of stock returns have an impact on the value of a company every year. Based on the data on the value of stock returns for the 11 companies above, the highest increase in stock returns occurred at PT. Pyridam Farma, namely 3.92% which occurred in 2020, while the biggest decrease occurred at PT. The brand was -0.59% which occurred in 2017. Decreases often occur in 2018. The increase in the value of Stock Returns is due to high Economic Value Added (EVA) and Market Value Added (MVA). If the Economic Value Added (EVA) and Market Value Added (MVA) values decrease, then the company's policy on stock returns also decreases. And if the Economic Value Added (EVA) and Market Value Added (MVA) values remain stable, then the Stock Return value also tends to be stable. Economic Value Added (EVA) and Market Value Added (MVA) values can be seen in the company's financial statement records, if the company is able to generate profits higher than the cost of capital, then it can create added value for the company or Economic Value Added (EVA) value which is tall . And if the company is able to increase the wealth of its shareholders due to the reduced value of shareholder capital, then the company has a high Market Value Added (MVA) value for the company.

According to Baridwan (2017), "Financial reports aim to provide information regarding the financial position, performance, and changes in the company's financial position". In accordance with the decision of the Chairman of Bapepam and LK Number: Kep-/BL/2011, June 2011, stated that "Issued companies and public companies are obliged to submit periodic financial reports to shareholders in particular and the public in general". The disclosure of this information can provide information to investors and potential investors, so that they can analyze the

performance of the issuer's company. This information is useful for most users in making economic decisions, so that investors can measure company performance through an analysis of the financial statements presented by the company. From the analysis of the financial statements, it can be seen the condition of the company.

The analysis that is often used by companies in measuring their performance is financial ratio analysis. According to Horne (2005) "Financial ratios are a tool used to analyze the financial condition and performance of the company". Although financial ratio analysis is used by investors as a conventional measurement tool, this ratio analysis has a major weakness, namely ignoring the cost of capital, making it difficult to know whether a company has succeeded in creating value or not. Therefore, in 1989, Stern Steward Management Service Consultants in the United States introduced the concept of Economic Value Added (EVA) dan Market Value Added (MVA) as a financial and market performance measurement tool to overcome the weaknesses of financial ratios (Setyarini, 2010).

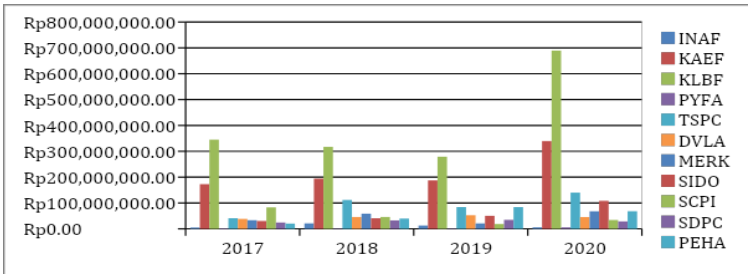
According to Wijaya and Tjun (2010) in Ansori (2015) Economic Value Added is an internal indicator that measures the wealth of a company's shareholders within a certain period of time. EVA measures how efficiently a company uses its capital to create added economic value. Positive EVA means that the company earns profits because the rate of return exceeds the cost of capital, so companies that earn profits will distribute some of their profits as dividends to investors. The higher the profit earned by the company, the higher the dividends obtained by investors.

Economic Value Added (EVA) is also used Market Value Added (MVA) which serves as a measure of financial performance. According to Brigham (2010) in Kartini (2008), shareholder wealth will be maximized by maximizing the difference between the market value of the company's equity and the amount of equity capital invested by investors, this difference is called Market Value Added. (MVA). If the company aims to multiply the shareholders' wealth, then the MVA used to evaluate the company's performance should have a direct relationship with the Return obtained by the shareholders of a company.

As a benchmark for good performance, EVA and MVA should have an influence on shareholder wealth which is described by Return share. However, there are still studies which reveal that EVA and MVA have no effect on return Share. Like the previous research conducted by Sunaryo (2019) in his research entitled Effects of Economic Value Added and Market Value Added against Return Shares in Manufacturing Companies in the Automotive Sub Sector for the 2010-2018 Period. Stating that EVA and MVA have no joint effect on stock returns because EVA and MVA only provide information on economic added value and market added value to shareholders or investors, they do not provide definite information on the level of stock returns to investors.

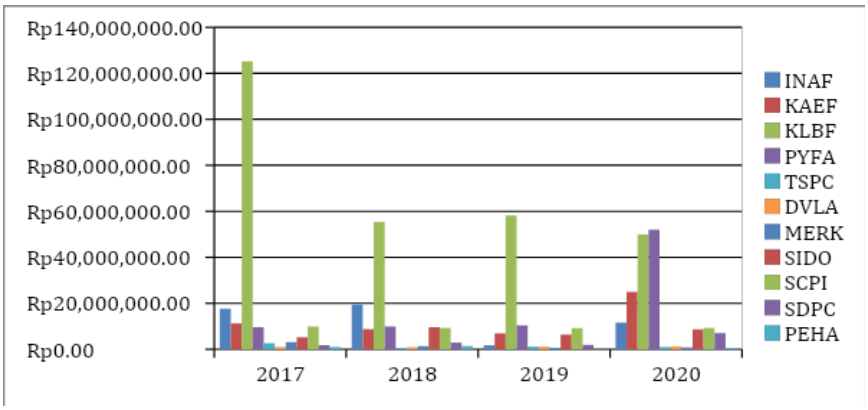
This research contradicts research conducted by Amna (2020) with the title “Effect of Economic Value Added (EVA) and Market Value Added (MVA) Against Return Share". From the results of his research it can be concluded that Economic Value Added positive and significant effect on Return shares and Market Value Added positive and significant effect on Return share. The following is a graph of the movement of Economic Value Added (EVA) dan Market Value Added (MVA) in pharmaceutical companies listed on the Indonesia Stock Exchange for the 2017-2020 period.

Picture 2: Movement Graph*Economic Value Added* (EVA) pharmaceutical companies listed on the Indonesia Stock Exchange for the 2017-2020 period.



Source:www.ldx.co.id (Data processed 2021).

Picture 3: Movement Graph*Market Value Added* (MVA) pharmaceutical companies listed on the Indonesia Stock Exchange for the 2017-2020 period.



Source: www. Idx.co.id (Data processed 2021)

Based on the EVA results in chart 2 above, it can be seen that each pharmaceutical company produces a positive EVA value or EVA > 0, which means that in the 2017-2020 period the company is able to generate higher profits than the cost of capital, so it can create added value for the company. However, if the company generates an EVA value <0, it means that the company has not been able to add added value to the company.

Based on the MVA results in table and graph 3 above, it can be seen that each pharmaceutical company produces a positive MVA value or MVA > 0, which means that in the 2017-2020 period the company has been able to increase the wealth of its shareholders. And if the company generates an MVA value < 0, it means that the company has not been able to increase the wealth of its shareholders due to the reduced value of shareholder capital.

Based on the description of the background problem above and various research results regarding the influence of EVA and MVA factors on Return stock which shows that there is still a gap between theory and reality, and there are still inconsistencies from some of the results of previous studies, so this problem is still interesting to study. This is what prompted the author to take the title of the study**"The Effect of Economic Value Added (EVA) dan Market Value Added (MVA) Against Return Shares in Pharmaceutical Companies Registered on the IDX for the 2017-2020 Period"**.

Problem Formulation

Based on the background above, the problem formulation in this study is: "Do Economic Value Added (EVA) and Market Value Added (MVA) affect stock returns in pharmaceutical companies listed on the IDX for the 2017-2020 period.

Research purposes

Based on the formulation of the problem above, the purpose of this study is "To find out whether Economic Value Added (EVA) and Market Value Added (MVA) have an effect on stock returns in pharmaceutical companies listed on the IDX for the 2017-2020 period".

2. LITERATURE REVIEW

Financial Management

Financial management according to Sundjaja and Barlian (2003) in Fauzan M (2018) explains that financial management is "Management related to duties as a financial manager in a business company. Finance managers actively manage the financial affairs of various types of businesses, whether financial or non-financial, private or

public, large or small, profit or non-profit. They carry out various activities, such as budgeting, financial planning, cash management, credit administration, investment analysis and efforts to obtain funds. While understanding.[1]

Financial statements

According to Brigham and Houston (2010), annual reports (annual report) is a report issued annually by the company to shareholders. This report contains the basic financial statements and management opinion on the company's operations over the past year and the company's prospects in the future. Financial statements describe the financial condition and results of operations of the company at a certain time or period of time. Financial reports are the most important media for assessing the performance and economic condition of a company.

Financial performance

Performance is every movement, deed, implementation, activity or conscious action that is directed to achieve a specific goal or target (Kusnadi, 2003). Financial performance is performance that must be measured to determine the financial condition of a company that is used as a basis for decision making. Information regarding the financial performance of a company will be very useful for many parties in various decision-making processes, both for internal and external parties of the company. The company's internal parties, especially the company's management, need information on measuring financial performance as a means of evaluating past performance and as a guide in preparing the company's work plan in the future. For external parties, especially investors, measuring a company's financial performance can be used as a basis for making investment decisions.

Return Stock

According to Tandelilin (2010) in (Fauzan, 2018), return is the rate of return obtained for the time and risk of the investment that has been made. Return shares are the results (profits or losses) obtained from a stock investment. According to Jogiyanto (2017), "Share Return is the result obtained from investment". According to Horne and John (2012) stated, "Return on shares or what is commonly referred to as Return is a payment received due to ownership rights, plus changes in the market price divided by the initial price". Return Calculation The shares are as follows:

$$\text{Return} = \frac{\text{Pt} - \text{Pt} - 1}{\text{Pt} - 1}$$

Information:

Pt = stock price for the current year

Pt-1 = previous year's stock price

Economic Value Added (EVA)

According to Tunggal 2001 (in Purnomo 2019), EVA/NITAMI is a financial management method for measuring economic profit in a company which states that prosperity can only be created when the company is able to meet all operating costs and capital costs. Calculation of Economic Value Added (EVA) are as follows:

EVA calculation steps

EVA components	Formula
NOPAT	EBIT (1 - T)
WACC	Wd. KD + We . KE

IC	(total debt + equity) – short term debt
EVA	NOPAT – (WACC x IC)

1. Calculating Net Operating After Tax (NOPAT)

NOPAT or net operating profit after tax is the amount of profit generated by a company if it has no debt and non-operating assets, NOPAT is expressed as follows:

$$NOPAT = EBIT\ (1-T)$$

EBIT : net business income
T : Tax rates

Tax rates can be calculated by:

$$T = \frac{Tax\ Expence}{Net\ Profit\ before\ tax} \times 100\%$$

2. Calculating the cost of capital (WACC x IC)

According to Moin (2010) the cost of capital is the cost borne by the company for the use of funding sources in financing investment activities. The cost of using own capital is called the cost of equity and the cost of using debt or foreign capital is called the cost of debt*(*cost of debt*)*. The cost of capital is very important to use to calculate the value of the company and determine whether the company is feasible to run. To calculate the cost of capital that needs to be looked for, namely the weighted average cost of capital (WACC) and Invested Capital (IC).

WACC is the total cost of each component of capital, for example long-term and short-term debt and paid-up capital shares which are weighted according to their proportions in the company's capital structure. Menghitung Weighted Average Cost Of Capital (WACC) :

$$WACC = Wd\ .\ K.D.\ We\ .\ KE$$

To find the WACC value, the first thing to calculate is:

a. Determining the Cost of Debt (Kd)

The cost of debt is an obligation that must be paid by the company for loan funds. In this study, the debt here is long-term debt and short-term debt. Thus the cost of debt can be calculated in the following way:

$$Kd = \frac{interest\ rate}{total\ Amoun\ of\ debt}$$

Cost of debt after tax (KD) can be calculated in the following way:

$$KD = Kd\ (1 - T)$$

b. Cost of equity (KE)

The cost of equity or the cost of equity is the rate of return expected by shareholders or investors on the capital invested in a company. If investors have invested in a company, these investors are entitled to receive dividends in the future, the amount of investment does not determine whether or not investors receive dividends, their nature is uncertain and changes depending on the financial performance of a company.
Formula:

Cost Of Equity = $\frac{Profit\ after\ tax}{total\ equity} x\ 100\%$

c. Equity percentage (We)

Equity proportion = $\frac{total\ equity}{total\ modal}$ x 100%

d. Debt percentage (Wd)

Debt proportion = $\frac{total\ Amoun\ of\ debt}{total\ modal}$ x 100%

3. Count Invested Capital (IC)

Invested Capital is the result of the translation of estimates on the balance sheet to see the amount of capital invested in the company by creditors and shareholders and how much capital is invested in company activities.

IC = (total debt + total equity) – short term debt

4. Calculating EVAs

EVA = NOPAT – (WACC x IC)

Market Value Added (MVA)

Market Value Added (MVA) according to Fajar (2009) is a method that measures how much added value the company has successfully provided to funders. Market formula Value Added (MVA) are as follows:

MVA calculation steps

Component VAT	Formula
The value of the company	Number of shares outstanding x Share price
IC	(total debt + equity) – Short term debt
MVA	Corporate value – IC

Sumber: Keown et al. (2010)

Hypothesis

From the formulation of the problem and the description above, the hypothesis put forward in this study is "Allegedly Economic Value Added (EVA) dan Market Value Added (MVA) partially and simultaneously affect Return Shares".

3. RESEARCH METHOD

Location and Time of Research

This research was conducted on the Indonesia Stock Exchange because the dependent variable in this study is the stock return of pharmaceutical companies listed on the IDX for the 2017-2020 period. The time used by researchers is from October 2021 to March 2022.

Data Types and Sources

Data Type

Qualitative data, namely data in the form of schematic words and pictures (Sugiyono, 2018) which are not in the form of numbers, such as a general description of the company, sales, products produced and other data that supports research. Meanwhile, quantitative data is data in the form of numbers that can be counted significantly (Sugiyono, 2018). Obtained from Economic Value Added (EVA) data, Market Value Added (MVA) on Stock Returns at pharmaceutical companies listed on the IDX for the 2017-2020 period.

Data source

Source of data used in this research is secondary data. Secondary data is data obtained indirectly, namely data sourced from published financial reports originating from the Indonesian Stock Exchange websitewww.idx.co.id perode 2017- 2020.

Population and Sample

The population used in this study were all pharmaceutical companies listed on the Indonesia Stock Exchange (IDX) for the 2017-2020 period, totaling 12 companies. The sampling technique used a proposive sampling, then the sample in this study were 44 samples taken from the financial statements of pharmaceutical companies listed on the Indonesian stock exchange for the 2017-2020 period.

Data Collection Techniques

The data collection techniques used in this study are as follows:

1. Documentation studies
   According to Sugiyono (2018) explains that "documents are records of past events. Documents can be in the form of writing, pictures, or momentary works of a person. Documentation study is a data collection technique by studying documents to obtain data or information related to the problem under study.The documentation method in research is by taking data on the financial reports of companies listed on the Indonesia Stock Exchange for 4 years from 2017-2020 via the websitewww.idx.co.id.
2. Library research
   Literature study, according to Nazir (2013) data collection technique by conducting a review study of books, literature, notes, and reports that have to do with the problem being solved. This technique is used to obtain the basics and opinions in writing which is done by studying various literature related to the problem under study. This is also done to obtain secondary data that will be used as a basis for comparison between theory and field practice. Secondary data through this method are obtained by browsing the internet, reading various literature, results from previous research studies, lecture notes and other relevant sources.
3. Web searching
   Namely the writing effort to collect articles, documentation journals and others that have something to do with this scientific writing material on the internet.

Data analysis technique

The Data Analysis Techniques that the author uses are as follows:

1. Descriptive statistics
   Descriptive statistics provide an overview or description of all data seen from the average value (mean), standard deviation, maximum variance, minimum, sum, range, kurtosis and skewness (distribution skewedness) (Ghazali 2011).[1]In this study descriptive statistics will provide an overview of the data distribution of all variables.
2. Classic assumption test
   To test the hypothesis of this study using multiple linear regression. As a prerequisite for multiple linear regression, a classic assumption test is carried out to ensure that the assessment data is valid, unbiased,

consistent, and the estimation of the regression coefficient is efficient. Classical assumption tests include the normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test.

a. Normality test

The data normality test was carried out with the intention of testing whether in the regression model, the dependent variable and independent variables have a normal distribution or not (Ghozali, 2011). The data normality test in this study used the Kolmogorov-Smirnov test. The Kolmogorov-Smirnov test used SPSS assistance to find out whether the data is normally distributed or not is seen in the Asymph.Sig (2-tailed) row.

The research data is said to be normally distributed or fulfill the normality test if the Asymph value. Sig (2-tailed) residual variable is above 0.05 or 5%. Conversely, if the Asymph. Sig (2-tailed) residual variable is below 0.05 or 5%, then the data is not normally distributed or does not meet the normality test.

b. Multicollinearity Test

The multicollinearity test aims to test whether the regression model finds a correlation between the independent variables. According to Widarjono (2013), a good regression model should not have a correlation between independent variables. If there is a high correlation between the independent variables, then the relationship between the independent variables and the dependent variable is disrupted.

To test the presence or absence of multicollinearity in the regression model is as follows (Ghozali, 2011):

1. The value generated by an estimated regression model is very high, but individually many independent variables do not significantly affect the dependent variable.
2. Analyzing the correlation matrix of independent variables. If between the independent variables there is a fairly high correlation value (generally above 0.90), then this is an indication of multicollinearity.
3. Observing the tolerance value and the variance of the inflation factor (VIF). Tolerance measures the variability of the selected independent variables which are not explained by other independent variables. The commonly used cut-off value is the tolerance value or equal to VIF. If the regression results have a VIF value of not more than 10, it can be concluded that there is no multicollinearity in the regression model.

c. Heteroscedasticity Test

The heteroscedasticity test aims to test whether in the regression model there is an inequality of residual variance from one observation to another (Ghozali, 2011). If the residual variance from one observation to another remains, then it is called homoscedasticity, whereas otherwise it is called heteroscedasticity. The way to detect the presence or absence of heteroscedasticity is by using the Glejser test.

The Glejser test is to regress each independent variable with an absolute residual as the dependent variable. The criteria used to state whether there is heteroscedasticity or not among the observed data can be explained by using a significance coefficient. The coefficient of significance must be compared to the previous level of significance (usually 5%). If the significance coefficient is greater than the specified level of significance, it can be concluded that there is no heteroscedasticity (homoscedasticity). If the significance coefficient is less than the specified level of significance, it can be concluded that heteroscedasticity occurs.

d. Uji Autokorelaxi

The autocorrelation test aims to find out whether in the linear regression model there is an error relationship in period t with period t-1 (previously). If there is a correlation, then it is called an autocorrelation problem (Ghozali, 2011). This problem often occurs in data that is based on periodic time such as monthly or yearly. The multiple linear regression analysis model must also be free from autocorrelation. A good regression model is a regression that is free from autocorrelation. To find out whether there is autocorrelation, it is necessary to test it first using Durbin Watson (D-W) statistics. With the following conditions:

Provision :

a) If the DW number is below -2, it means that there is a positive autocorrelation.
b) If the DW number is below -2 to +2, it means that there is no autocorrelation.

c) If the DW number is below +2, it means that there is a negative autocorrelation.

3. Hypothesis test
   a. Multiple Linear Regression Test

      The analytical tool used in this study is multiple linear regression with the dependent variable is Stock Return and the independent variables are Economic Value Added (EVA) and Market Value Added (MVA). The regression model used is as follows:

      $Y = \alpha + \beta_1(X_1) + \beta_2(X_2) + e$

      Information:

      Y = Variable Return Stock
      a = Constant
      β_1 = EVA independent variable regression coefficient
      X_1 = Variable EVA
      β_2 = MVA independent variable regression coefficient
      X_2 = Variable VAT
      e = error term

   b. Partial Test (Test Statistical t)

      Testing the regression results was carried out using the t statistical test. This t-test aims to determine whether there is a partial effect of EVA and MVA on stock returns. This test is carried out at a 95% confidence level with the following conditions:

      1) If the significance level is greater than 5%, it can be concluded that Ho is accepted and Ha is rejected.
      2) If the significance level is less than 5%, it can be concluded that Ho is rejected and Ha is accepted.

      The proposed hypothesis can be formulated as follows:

      1. Effect of EVA (X_1) against Stock Return (Y)
         To_1: $\beta_1 \leq 0$, meaning that there is no positive effect of X_1 against Y
         Ha_1: $\beta_1 > 0$, meaning that there is a positive influence of X_1 against Y
      2. Effect of MVA (X_2) against Stock Return (Y)
         To_2: $\beta_2 \leq 0$, meaning that there is no positive effect of X_2 against Y
         Ha_2: $\beta_2 > 0$, meaning that there is a positive influence of X_2 against Y

   c. Simultaneous Significance Test (F Statistical Test)

      The F statistical test is intended to test whether simultaneously the independent variable X_1 and X_2 (EVA and MVA) have an influence on the dependent variable Y (Stock Return).

      This test is carried out at a 95% confidence level with the following conditions:

      1. If the significant level of si is greater than 5%, it can be concluded that Ho is accepted and Ha is rejected.
      2. If the significance level is less than 5%, it can be concluded that Ho is rejected and Ha is accepted.

      The proposed hypothesis can be formulated as follows:

      1. To_1: β_1 and $\beta_2 = 0$ means, there is no effect of EVA and MVA simultaneously on stock returns.
      2. Ha_1: β_1 and $\beta_2 = 0$ means, there is an influence of EVA and MVA simultaneously on stock returns.

   d. Coefficient of Determination (AdjustedR^2)

      This test aims to measure how much the model's ability to explain the dependent variables. The coefficient of determination (AdjustedR^2) shows the proportion explained by the independent variable in the model to the dependent variable, the rest is explained by other variables not included in the model.

4. Research Results and Discussion

Descriptive statistics

Descriptive Statistics provides an overview or description of the data seen from the minimum value, maximum value, average value, and standard deviation. The results of research conducted descriptively in this study can be seen in the following table:

Table 1: Descriptive Statistical Test Results
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
EVA	44	10,83	84,27	37,9284	20,35573
MVA	44	10,01	99,34	37,2593	32,54850
R_SHARE	44	-86,17	393,42	25,0027	88,84113
Valid N (listwise)	44				

Source: Data Processed by SPSS Version 23.0

Table 1 above shows the general description of the descriptive statistics of the dependent and independent variables. Based on the table above it can be explained as follows:

a. Return Stock
   Based on the descriptive data in table 1, it can be seen that Stock Return has the smallest (minimum) value of -86.17 and the largest (maximum) value is 393.42. This shows that during the 2017-2020 period Stock Returns have increased. The average (mean) stock return is 25.0027 with a standard deviation value of 88.84113.
b. Economic Value Added (EVA)
   Based on the descriptive data in table 1, it can be seen that Economic Value Added has the smallest (minimum) value of 10.83 and the largest (maximum) value of 84.27, this shows that during the 2017-2020 period the Economic Value Added has increased. The average (mean) Economic Value Added is 37.9284 with a standard deviation value of 20.35573.
c. Market Value Added (MVA)
   Based on the descriptive data in table 1, it can be seen that the Market Value Added has the smallest (minimum) value of 10.01 and the largest (maximum) value of 99.34, this shows that during the 2017-2020 period the Market Value Added has increased. The average (mean) Market Value Added is 37.2593 with a standard deviation value of 32.54850.

The coefficient of determination (R^2) is used to describe the ability of the model to explain the variations that occur in the dependent variable. By measuring the coefficient of determination, it will be known how much the independent variable is able to explain the dependent variable, while the rest is explained by other factors outside the model. In this study where the results of the coefficient of determination (R^2) which is relatively small, so researchers use data transformation using Natural Logarithms (LN). The initial number of samples was 44 to 33. Below are the results of the data that has been transformed using Natural Logarithms (LN).

Table 2: Descriptive Statistical Test Results
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
LN_EVA	44	14,31	20,35	17,5664	1,38688

LN_MVA	44	13,82	17,99	15,3232	1,37114
LN_RSAHAM	33	-1,14	5,97	2,0838	1,71637
Valid N (listwise)	33				

Source: Data Processed by SPSS Version 23.0

Table 2 above shows a general description of the descriptive statistics of the dependent and independent variables. Based on the table above it can be explained as follows:

a. Return Stock

Based on the descriptive data in table 2, it can be seen that Stock Return has the smallest (minimum) value of -1.14 and the largest (maximum) value is 5.97, this shows that during the 2017-2020 period Stock Returns have increased. The average (mean) stock return is 2.0838 with a standard deviation value of 1.71637.

b. Economic Value Added (EVA)

Based on the descriptive data in table 2, it can be seen that Economic Value Added has the smallest (minimum) value of 14.31 and the largest (maximum) value of 20.35, this shows that during the 2017-2020 period the Economic Value Added has increased. The average (mean) Economic Value Added is 17.5664 with a standard deviation value of 1.38688.

c. Market Value Added (MVA)

Based on the descriptive data in table 2, it can be seen that the Market Value Added has the smallest (minimum) value of 13.82 and the largest (maximum) value of 17.99, this shows that during the 2017-2020 period the Market Value Added has increased. The average (mean) Market Value Added is 15.3232 with a standard deviation value of 1.37114.

Classic assumption test

To test the hypothesis of this study using multiple linear regression. As a prerequisite for multiple linear regression, a classic assumption test is carried out to ensure that the assessment data is valid, unbiased, consistent, and the estimation of the regression coefficient is efficient. Classical assumption tests include the normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test.

Normality test

The data normality test was carried out with the intention of testing whether in the regression model, the dependent variable and independent variables have a normal distribution or not (Ghozali, 2011). The data normality test in this study used the Kolmogorov-Smirnov test. The Kolmogorov-Smirnov test used SPSS assistance to find out whether the data is normally distributed or not is seen in the Asymph.Sig (2-tailed) row.

The research data is said to be normally distributed or fulfill the normality test if the Asymph value. Sig (2-tailed) residual variable is above 0.05 or 5%. Conversely, if the Asymph. Sig (2-tailed) residual variable is below 0.05 or 5%, then the data is not normally distributed or does not meet the normality test. The following are test results using the Kolmogorov-Smirnov Test.

Table 3: Normality Test Results
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		44
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	80,32862754

Most Extreme Differences	Absolute	,273
	Positive	,273
	Negative	-,159
Test Statistic		,273
Asymp. Sig. (2-tailed)		,000[c]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
Source: Data Processed by SPSS Version 23.0

Based on Table 3 the data is not normally distributed, the sig value of 0.000 is less than 0.05 and the method requires that before further testing is carried out, one of the initial assumptions must be fulfilled first, namely the data must be normally distributed.

To get values that are normally distributed, the authors transform the data using Natural Logarithms (LN). The following below is normalized data.

Table 4: Normality Test Results
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		33
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	1,50577063
Most Extreme Differences	Absolute	,110
	Positive	,092
	Negative	-,110
Test Statistic		,110
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: Data Processed by SPSS Version 23.0

Based on Table 4, after being transformed with the Natural Logarithm (LN) it is known that with N = 33 and a significance value of 0.200 is greater than 0.05 so it can be concluded that the data obtained is normally distributed.

Multicollinearity Test

The multicollinearity test aims to test the presence or absence of a linear relationship between the dependent and independent variables in the regression model (Widarjono, 2013). A good regression model should not have symptoms of multicollinearity. The regression model can see the correlation values between the independent variables, look at the Tolerance and Variance Inflating Factor (VIF) values. The decision guideline is based on the tolerance value if the tolerance value is greater than 0.10 then multicollinearity does not occur and if the tolerance value is less than 0.10 then multicollinearity occurs in the regression model. The decision guideline is based on the VIF value if the value is less than 10.00 then multicollinearity does not occur and if VIF is greater than 10.00 it means that there is multicollinearity in the regression model.

Table 5: Multicollinearity Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Say.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-6,646	5,002		-1,329	,194		
	LN_EVA	-,017	,203	-,013	-,082	,935	,978	1,023
	LN_MVA	,597	,202	,478	2,949	,006	,978	1,023

a. Dependent Variable: LN_RSAHAM

Source: Data Processed by SPSS Version 23.0

Based on Table 5, it can be seen that the Tolerance and VIF values show that the Tolerance values for the EVA (X1) and MVA (X2) variables are 0.978, greater than 0.10. Meanwhile, the VIF value of the EVA (X1) and MVA (X2) variables is 1.023 which is less than 10.00. Then referring to the basis of decision making in the multicollinearity test, it can be concluded that there are no symptoms of multicollinearity in the regression model.

Uji Heteroscedasticity Tests

According to Widarjono (2013) the Heteroscedasticity Test tests the variance and residual variables whether they are constant or not in the regression model. The heteroscedasticity test in this study was carried out using the Glejser test. Detecting heteroscedasticity using the Glejser test is looking at the regression results using absolute residuals as the dependent variable, if there are independent variables that are significant to the residuals, then the regression model has a heteroscedasticity problem (Widarjono, 2013). The basis for decision making in the heteroscedasticity test using the Glejser test is that if the sig value is greater than 0.05 then there are no symptoms of heteroscedasticity in the regression model and if the sig value is less than 0.05 then there are symptoms of heteroscedasticity in the regression model.

Table 6: Heteroscedasticity Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Say.
		B	Std. Error	Beta		
1	(Constant)	-2,022	2,463		-,821	,418
	LN_EVA	,011	,100	,020	,113	,911
	LN_MVA	,205	,100	,354	2,051	,049

a. Dependent Variable: Abs_RES

Source: Data Processed by SPSS Version 23.0

From Table 6 above, it is known that the significance value (Sig) for the EVA variable (X1) is 0.911 which is greater than 0.05. The test results show that the significance value of the variable is above 0.05 so that the regression model is free from heteroscedasticity problems. Whereas in the MVA variable there is heteroscedasticity, this can be seen from the sig value of 0.049 <0.05, to improve the data affected by heteroscedasticity, the park test can be carried out. The test results are as follows:

Table 7: Park test results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Say.
		B	Std. Error	Beta		
1	(Constant)	-7,679	4,821		-1,593	,131
	LN_EVA	,155	,199	,183	,777	,448
	LN_MVA	,319	,167	,448	1,906	,075

a. Dependent Variable: LnRes2

Data Source Processed Spss Version 23.0

Based on the test results from table 7 using the Park test, it shows that there is no relationship between the independent variables, this can be seen from the significance value of the EVA variable 0.448, the MVA variable 0.075 which is above 0.05.

Autocorrelation Test

Autocorrelation testing is used to determine whether there is a correlation between confounding errors in period t and errors in period t-1 (previously). A good regression model is a regression that is free from autocorrelation.

Table 8: Autocorrelation Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,480[a]	,230	,179	1,55515	1,786

a. Predictors: (Constant), LN_MVA, LN_EVA

b. Dependent Variable: LN_RSAHAM

Source: Data Processed by SPSS Version 23.0

From Table 8 above, the Durbin Watson (DW) value resulting from the regression model is 1.786, so because 1.786 is between -2 to +2, it means that there is no autocorrelation symptom.

Multiple Linear Regression Analysis

Multiple linear regression analysis was used to determine the relationship between the two sub-variables, in this case the Economic Value Added (EVA) and Market Value Added (MVA) variables with the stock returns of pharmaceutical companies listed on the Indonesia Stock Exchange. Based on the results of data processing that has been carried out using SPSS Version 23.0, the complete results are presented in the table below:

Table 9: Multiple Linear Regression Analysis Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Say.
		B	Std. Error	Beta		
1	(Constant)	-6,646	5,002		-1,329	,194

	LN_EVA	-,017	,203	-,013	-,082	,935
	LN_MVA	,597	,202	,478	2,949	,006

a. Dependent Variable: LN_RSAHAM
Source: Data Processed by SPSS Version 23.0

Based on table 9 of the multiple linear regression test above, the multiple linear regression equation is obtained as follows:

$$Y = (-6.646) + (-0.017)\ X_1 + 0{,}597\ X_2 + e$$

From the above equation it is known:
1. A constant of -6.646 states that if EVA and MVA are zero or nonexistent, the stock return will decrease by -6.646.
2. Economic Value Added (EVA) has a regression coefficient of -0.017 stating that for every 1% decrease in EVA, stock returns will decrease by -0.017.
3. Market Value Added (MVA) has a regression coefficient of 0.597 stating that for every 1% increase in MVA, the Stock Return will increase by 0.597.

Hypothesis test
Ujit
The t test is used to determine whether or not a significant influence of the independent variables partially or jointly on the dependent variable. To test this hypothesis, first look for the tcount value using SPSS 23.0 and then compare it to the ttable value. the hypothesis is as follows:
H1 or the first hypothesis: there is an effect of Economic Value Added EVA (X_1) against Stock Return (Y).
H2 or second hypothesis: there is an effect of Market Value Added MVA (X_2) against Stock Return (Y).

Table 10: t test results (partial)
Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Say.
1	(Constant)	-6,646	5,002		-1,329	,194
	LN_EVA	-,017	,203	-,013	-,082	,935
	LN_MVA	,597	,202	,478	2,949	,006

a. Dependent Variable: LN_RSAHAM
Source: Data Processed by SPSS Version 23.

Based on table 10 above, table = t (α / 2, n-k-1) = t (0.025 : 30) = 2.04227. In accordance with the hypothesis put forward in this study, based on the details, the following tests are produced:
1. The Economic Value Added (EVA) variable has a tcount of -0.082 while a ttable of 2.04227 so that tcount < ttable means that H1 or the first hypothesis is rejected and the sig value of 0.935 is greater than 0.05, so it can

be concluded that partially Economic Value Added (EVA)) has no significant effect on the stock returns of pharmaceutical companies listed on the Indonesia Stock Exchange for the 2017-2020 period.

2. The Market Value Added (MVA) variable has a tcount of 2.949 while a ttable of 2.04227 so that tcount > ttable means that H2 or the second hypothesis is accepted and the sig value of 0.006 is smaller than 0.05, so it can be concluded that partially Market Value Added (EVA) has a significant effect on the stock returns of pharmaceutical companies listed on the Indonesia Stock Exchange for the 2017-2020 period.

Simultaneous Test (F)

This test is used to test the overall regression coefficient and to determine the significance of the relationship between the independent variables together with the dependent variable.

Table 11: F Test Results (Simultaneous)

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Say.
1	Regression	21,714	2	10,857	4,489	,020[b]
	Residual	72,555	30	2,419		
	Total	94,269	32			

a. Dependent Variable: LN_RSAHAM

b. Predictors: (Constant), LN_MVA, LN_EVA

Source: Data Processed by SPSS Version 23.

Based on table 11 above, we obtain F table = F (k; n-k) = F (2; 31) = 3.30. So it can be concluded that Fcount is 4.489 > Ftable 3.30, so the hypothesis is accepted, meaning that Economic Value Added (EVA) and Market Value Added (MVA) simultaneously affect stock returns. From the ANOVA test, a significance level of 0.020 <0.05 is obtained, so it can be concluded that Economic Value Added (EVA) and Market Value Added (MVA) simultaneously have a significant influence on the stock returns of pharmaceutical companies listed on the Indonesia Stock Exchange in 2017-2020.

5. CONCLUSIONS

Based on the results of data analysis on the influence of Economic Value Added (EVA) and Market Value Added (MVA) on Stock Returns in pharmaceutical companies listed on the IDX for the 2017-2020 period, the following conclusions are obtained:

1. The coefficient of determination (R^2) 0.230 or 23.0%, this shows that the percentage of the influence of the independent variables, namely Economic Value Added (EVA) and Market Value Added (MVA) on the dependent variable, namely Stock Return, is 23.0% while the remaining 77.0% is influenced by variables others that were not examined in this study.
2. Economic Value Added (EVA) has a tcount of -0.082 while a ttable of 2.04227 so that tcount < ttable with a sig probability of 0.935> 0.05, it can be concluded that partially Economic Value Added (EVA) has no significant effect on the stock returns of pharmaceutical companies that listed on the Indonesia Stock Exchange for the 2017-2020 period.
3. Market Value Added (MVA) has a tcount of 2.949 while a ttable of 2.04227 so that tcount > ttable with a tassig probability of 0.006 <0.05, it can be concluded that partially Market Value Added (EVA) has a significant effect on the stock returns of pharmaceutical companies listed on the Stock Exchange Indonesian securities for the period 2017-2020.

4. Economic Value Added (EVA) and Market Value Added (MVA) have a Fcount of 4.489 > Ftable 3.30 with a probability of 0.020 <0.05, it can be concluded that Economic Value Added (EVA) and Market Value Added (MVA) simultaneously have an influence significantly to the stock returns of pharmaceutical companies listed on the Indonesia Stock Exchange in 2017-2020.

6. SUGGESTION

Based on the conclusions above, researchers found something new that Economic Value Added (EVA) and Market Value Added (MVA) are tools to see comparisons with Stock Return decisions or policies. Thus the following suggestions are obtained:

1. For Companies
   To be able to pay attention to financial performance in assessing the health of the company because by seeing good company performance, investors will be interested in making future investments.
2. For academics
   To further study the concepts of Economic Value Added (EVA) and Market Value Added (MVA) as financial performance measurement tools.
3. For Investors
   For potential investors who will invest, they can consider the aspects of these two variables. When the Economic Value Added (EVA) and Market Value Added (MVA) values decrease, the company's stock return policy must decrease. When Economic Value Added (EVA) and Market Value Added (MVA) values remain stable, so stock returns also tend to be stable. And when the value of Economic Value Added (EVA) and Market Value Added (MVA) increases, the Stock Return tends to also increase. Because the market is basically moving .
4. For further research
   For future researchers, it is necessary to expand the research object and observation period so that the number of samples and data that can be used in research increases. Thus, it is expected to obtain a better picture of Stock Return on the Indonesian Stock Exchange.

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