THE INFLUENCE OF MACROECONOMICS AND FUNDAMENTAL FACTORS TOWARD BETA STOCK OF FOOD AND BEVERAGE COMPANY LISTED IN INDONESIA STOCK EXCHANGE

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ABSTRACT

This research aims to analyze the influence of macroeconomics and fundamental factors toward beta stock on Indonesia's food and beverage company listed in the Indonesia Stock Exchange from 2015 to 2019. There are four independent variables such as exchange rate, current ratio, debt to equity ratio, and return on equity are examined by descriptive statistical analysis, classical assumption test, multiple linear regression, and hypotheses testing. This research used quantitative research. Through purposive sampling, this research got 65 observations from 13 companies in 5 years which fulfill the criteria. The population of this research is food and beverage companies listed on Indonesia Stock Exchange. The outcomes reveal a value of adjusted R-squared among dependent variables is 6.41%. The variables of the exchange rate, debt to equity ratio, and return on equity have no partially significant influence on beta stock while the current ratio has a significant partial influence in hypotheses testing. Simultaneously, the exchange rate, current ratio, debt to equity ratio, and return on equity have no significant influence toward the beta stock of food and beverage companies. Before making investment and operational decisions, the investors and companies get the information from the result of this research in analyzing stock risk.

1. INTRODUCTION

Food and beverage company is one of the business sectors which keeps experiencing growth. In Indonesia, food and beverage company is growing rapidly. The total food and beverage company listed on Indonesia Stock Exchange is increasing from one period to another period, despite a company's capital deficiency because of a crisis economy (Siregar, 2021). According to IDX data, there are 700 companies listed in IDX in August 2020 (Suryahadi, 2020). Investors must be confused in choosing the company where they want to invest. The food and beverage company is one of the chosen industries. The list of stocks in the food and beverage sub-sector is the stock company that sells the life needs of people such as food and beverage.
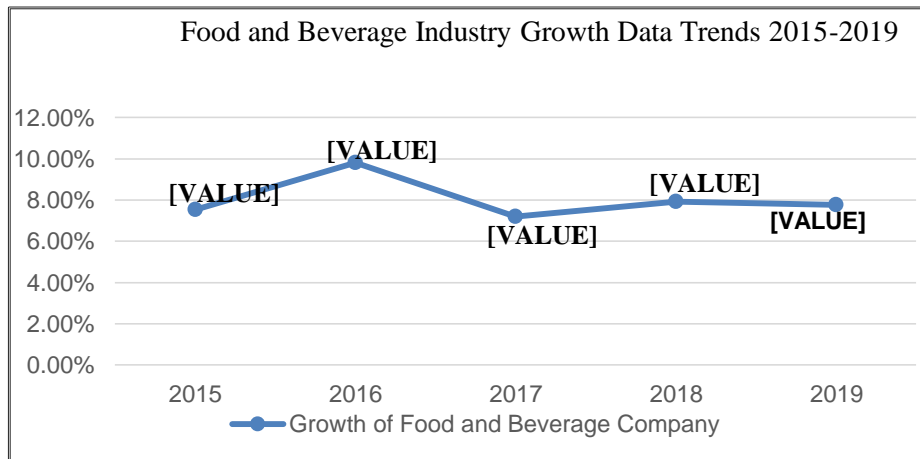
Figure 1. Food and Beverage Industry Growth Data Trends
Source: dataindustri.com, 2020

Food and beverage company is one of the sectors which give big contribution to the economy. In 2019, the food and beverage company grew by 7.78%. At the same time, this company also gives a contribution of 36.40% for gross domestic product of non-oil and gas processing industry. This showed that how important this company is toward industry growth and the national economy (Septyaningsih, 2020).

A financial market is a place where a person who has an excess fund with a person who needs funds meet by trading securities, while the place where the security trading happened is called the stock exchange (Tandelilin, 2017). Mishkin & Frederic (2000) defined that any long-term financial product that may be exchanged, such as bonds, equities, mutual funds, derivatives, and other financial instruments, is traded on the capital market. A capital market is a market for various long-term "securities" financial instruments that can be traded, either in the form of debt or equity (Husnan, 2001). It holds an important role in the economy of a country because the capital market has two functions, a place for funding a business or as a place for a company to get funds from an investor. The trading of securities which is a long-term instrument (the period is over one year) such as stock, bond, mutual funds and derivatives took place in IDX (DAPENRA, 2018).

Tandelilin (2017) stated that the definition of investment is a commitment to put some current funds or other resources to get some profit in the future. Investment is a put one or more assets in the long-term, which expects getting benefits in the future. In other words, it means that a commitment to saving some of the current consumption with the expectation of getting higher profit in the future (Sunariyah, 2011). Yet, every investor will face risks and an uncertain future for their investment. The investors will not know how much they might receive in the future. The investor needs to analyze and have in-depth knowledge about the performance of the firm before deciding to do an investment (Purwanto & Agustin, 2017).

Stock means one of the capital-market instruments which is the most interested for the investor because it is able to give interesting returns (Fahmi, 2012). The equity market or also known as the stock market is a variety of markets and exchanges in which regular

activity such as buying, selling, and issuing shares of public companies took place (Forex, 2020). Yanto et. al (2021) mentioned that the stock market as a mechanism an ideal place for people who are interested in investing without spending much money. Stocks are securities that are the proof of ownership of individuals or institutions in a company. In general terms, stocks are evidence of equity participation in a company's share ownership (Rahardjo, 2006). Compared with the other type of investment instruments, for example, bonds, mutual funds, or saving accounts, stocks are assumed to have higher risks but also can give high returns or profit.

Investment is always linked with return and also risk. Risk is how big the deviation of the expected return with the actual return. Risk is basically categorized into two basic types which are systematic and unsystematic risk (Hanafi, 2006). The combination of both systematic and unsystematic is called the total risk. According to Jogiyanto (2010), systematic risk is a component of investment risk that is externally affected and cannot be controlled by a company. Bodie et al. (2014) stated systematic risk also known as a market risk which means a risk factor that affects the market overall. An example of systematic risk is changing in interest rate, regulation of economic condition, inflation, foreign currency exchange rate, and others. This risk cannot be controlled by investors, cannot be predicted, and also be mitigated (Edusaham, 2020).

According to Keown et al. (2011), a systematic risk is a statistical measurement that measures the impact of historical market movements on stock prices and measured by beta (β). Beta stock or also called beta coefficient is a value contained in a stock that shows the sensitivity of a stock to market movement. Sulistia et al. (2020) mentioned that beta is also a measurement of volatility risk. Beta stock is the result of regression between a company's returns calculated from the change in the company's stock price with the market return calculated from changes in the Composite Stock Price Index (Aruzzi & Iqbal, 2003). The beta stock showed the risk of the stock. The higher the beta stock, the risk will be higher too (Mcclure, 2021).

Investors can use the macroeconomics factor such as the exchange rate as the indicator in analyzing the economic condition (Rasure, 2020). Macroeconomics attempts to measure how well the economy performs, to projects how performance can improve. It is also focused on how an economy works overall and then how different economic sectors relate one each other to understand how aggregate works (Utami, 2021). Macroeconomics theory can also help individual businesses and investors make better decisions by understanding the whole effect of broad economic trends and policies on their industries (Cerdasco, 2020). Analyzing the fundamental factors of a company also can be the consideration to decide which company they will invest. A financial statement will describe financial performance. The financial statement ratio can be used to estimate a company's value. The fundamental factor of a company is the reflection of the company's condition (Mahmudah & Sonjaya, 2018).

If there are any changes in macroeconomics and fundamental factors in a company, it can affect the business performance which also may affect stock performance. By seeing the changes, it may affect their stock performance too whether it will increase or even decrease the risk. The increasing beta stock of food and beverage companies may be caused by the exchange rate. In fundamental factors of the companies CR, DER, and ROE may also influence the beta stock. Based on Sarumaha (2017), the result shows that the exchange rate has a positive insignificantly influence toward the beta stock. Sulistia et al. (2020) stated that there is a positive significant influence exchange rate toward the beta stock. On the macroeconomics side, Laraswati et al. (2018) found the influence of CR towards beta stock has a negative insignificant influence. Jazuli & Witiastuti (2016) stated that there is a positive significant influence on CR toward the beta stock. Ismawati (2018) found DER has a negative significant influence towards beta stock, while Mahmudah & Sonjaya (2018) stated that DER has an insignificant influence towards the beta stock. Based on Jazuli & Witiastuti (2016), ROE has a positive significant influence towards the beta stock. Laraswati et al. (2018) found ROE has a negative and significant influence towards the beta stock. The result of previous researches regarding in influence of macroeconomics and fundamental factors on beta stock is still inconsistent.

Investors need more information about what factors influence the risk to get the expected return in the future. Based on the problem identified above, the researcher decided to conduct research analyzing the influence of macroeconomics and fundamental factors towards the beta stock of food and beverage to find more empirical evidence.

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2. LITERATURE REVIEW

According to Sukirno (2000), macroeconomics is a branch of economics that studies the main activity of the economy comprehensively to various problems of economic growth, such as unemployment, inflation, the balance of trade and payments, and unstable economic activity. Macroeconomics is a study about economic issues in short and long terms, including the stability and growth of a country's economy (Budiono, 2001). The government uses the macroeconomics' model and its prediction to help in developing and evaluating economic policies. Businesses use it to set strategies in the domestic and global markets. Investors use macroeconomics to predict and plan the movement in the various asset's market (Rasure, 2020). Macroeconomics theory also helps individual businesses and investors to make better decisions through understanding the motivation of others and how to maximize the value and scarce resources (Cerdasco, 2020).

1. Exchange Rate

Generally, the value or price of one country's currency in terms of another country's currency is known as the exchange rate. The exchange rate is the price of one unit of foreign currency in domestic currency (Nazir, 1988). In other words, the exchange rate is the price of one currency in exchange for another currency. Investors expect that the rupiah exchange rate against the US dollar will tend to be stable. This has had a positive impact on investment. The strengthening of the rupiah exchange rate will encourage investment interest, both investment in the capital market and investment in the real sector (Hermansyah, 2021). The dollar is a relatively stable currency in the economy. Based on

The exchange rate which fluctuates sharply will reduce the investor's interest in investing because it will be difficult to predict the return that the investor will get. Sulistia et al. (2020) shown that the exchange rate positively affects towards the beta stock which strengthen the theory.

Fundamental Factor

In the economy, fundamental analysis is an analysis method used in a capital market based on the fundamental economy of a company. Fundamental analysis studies anything which can affect the security value, from macroeconomics factors such as a state of economy and industry also the microeconomy factor such as management of a company (Segal, 2020). Darmadji & Fakhruddin (2012) mentioned that fundamental analysis is one of the methods to do stock research by observing several factors related to state macroeconomics and industry of a company and also various finance factors and the company's management.

It can define that fundamental factor is an analysis to estimate the security value in the future by observing the macroeconomics factor or the company's management. In business economics, investors are looking at the company's fundamentals, including financial statements and overall management (Tjiptono & Darmadji, 2012). By looking at the data, shows the health of the business and also indicates the probability of further growth. Fundamental analysis involves analyzing more depth into a company's financial statements to get the profit and growth potential, and to decide if its shares are over, under, or fairly valued in the market (Scott, 2021).

a. Current Ratio

Current ratio is the most common ratio used to find out the ability to fulfill the short-term obligation. This ratio showed how demanding the short-term creditor is fulfilled by an asset that is predicted to be cash in the same period with debt maturity (Sawir, 2003). CR is a ratio between total current asset and a current debt, this ratio showed the value of a current asset (soon could be issued as cash) are more than short-term debt (Munawir, 2007).

According to Sarumaha (2017), CR is important for an investor to know about the short financial condition towards creditors and government. Therefore, the investor can be more confident about the expected return in the future. This ratio is calculated as follows:

$$Current\ Ratio = \frac{Current\ Asset}{Current\ Debt}$$

b. Debt to Equity Ratio

Debt to equity ratio is a financial ratio used to evaluate debt with company equity and find out the total fund which is provided by creditors with the company owner. In other words, how big the value of every company capital is used as a debt guarantee (Kasmir, 2014). When a company has negative ratio equity, which will occur if the book value of its shareholder capital has been eroded by losses (negative profit), a negative debt-to-equity ratio is generated. If the company cannot make a profit and instead makes a loss, the company may not be able to pay its debt (Yusuf, 2020).

If the debt to equity ratio increases, the company will get funding from creditors or investors. It means that the company certainly has to pay debts that have been borrowed within a certain time. Investors tend to prefer companies with the low debt to equity ratios, because investors' assets will remain safe in the event of a loss (Ismail, 2020). The bigger debt to equity ratio shows that how big the proportion of money usage in investment. Laraswati et al. (2018) stated that it also shows that the bigger use of debt so the beta stock will increase because the company cannot pay the debt. An investor will not be attracted to invest in a company where their DER is high. The formula to calculate DER is as follows:

$$Debt\ to\ Equity\ Ratio = \frac{Total\ Liabilities}{Total\ Equity}$$

c. Return on Equity

Return on equity is one of the ratios for measuring the company's profit. This ratio is a comparison of earnings after tax to the total equity of a company. ROE shows the presentation rate of how much ROE is important for shareholders and potential investors (Kasmir, 2014). ROE has an important role as an indicator to ensure the performance of a company in managing its equity. A company with high ROE will attract investors for investing their capital because it will have less risk. Laraswati et al. (2018) mentioned that higher ROE will cause beta stock to become lower. The formula to calculate ROE is as follows:

$$ROE = \frac{Earning\ After\ Tax}{Total\ Equity} \times 100\%$$

Investment

Investment is a commitment to put some current funds or other resources in order to get some profit in the future (Tandelilin, 2017). The definition of investment is a capital investment in one or more assets and generally in the long term which is expected to get a profit in the future. Besides that, investment is a commitment of an amount of money or other resources that are processed in the present, in order to get profit in the future (Sunariyah, 2011). In conclusion, an investment could be defined as a commitment for capital investment in one or more investment objects in order to get some profits in the future.

The investment could be taken as financial or nonfinancial assets. A financial asset or even called assets which are intangible such as copyrights, patents, trademarks, licenses, also stocks, and bonds. Nonfinancial assets or even called real assets which are tangible such as

land, vehicles, equipment, inventory (Rodoni & Ali, 2010). The purpose of investment is actually for financial security in the long run, but it depends on the investor's preference. There are three reasons why people do investments as to get a better life in the future, to decrease the risk of inflation, and to urge to save the taxes (Tandelilin, 2017). Investment is usually related to putting some funds in real assets such as land, gold, machine, and building or in a financial asset such as deposit, stock, mutual funds, or obligations (Pratama, 2020).

a. Investment Risk

Risk is a measure of uncertainty that describes the variance of a return from an investment (Hanafi, 2006). Liquidity is an ability of a bank to fund increasing assets and fulfill its obligation without incurring any losses. Every investment product must have a potential risk. If someone could handle their investment well, their potential risk can be reduced.

Tandelilin (2017) expresses that the modern portfolio theory divides the investment risk into two forms of risk which are unsystematic risk and systematic risk:

1. Unsystematic Risk

   Keown et al. (2011) explain that unsystematic risk (specific risk) can be reduced by the investors which caused by internal factors of a particular company or firm.

2. Systematic Risk

   A systematic risk is a component of investment risk that cannot be diversified by an investor, which means the investor cannot reduce the risk. Systematic risk is generally known as market risk, where the risk happened because of the events outside the company, such as exchange rate. Systematic risk is related to the change of market conditions (Tandelilin, 2001). Keown et al. (2011) state the measurement of systematic risk is known as beta (β). Figure 2 shows both the systematic risk and unsystematic risk combining into total risk

Total Risk = Systematic Risk + Unsystematic Risk
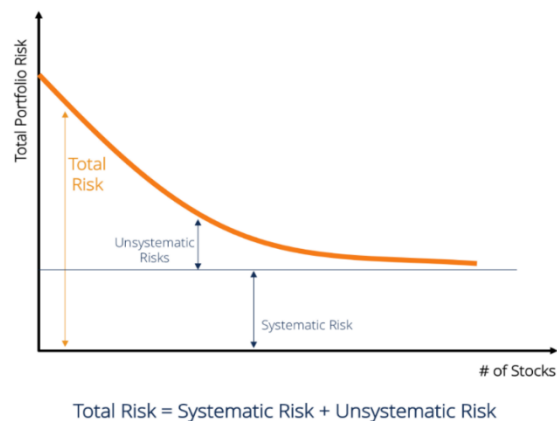
Figure 2. Unsystematic and Systematic Risk
Source: www.cdn.corporatefinanceinstitute.com

Systematic Risk

Keown et al. (2011) stated that beta is known as the measurement of systematic risk. Beta (β) is an indicator that is used to measure the sensitivity of stocks towards overall market movement or in other words, namely as the Composite Stock Price Index (IHSG) (BEI, 2012). The market price movements relatively towards the market or the beta of the market is 1.0. Every stock has its beta towards market movement, which is represented in the Composite Stock Price Index (IHSG) and beta represented in numbers. A beta is higher than 1 means that the stock has a very responsive movement towards the market. If IHSG is increasing, the stock in this beta will increase fast and if IHSG is decreasing, the stock in this beta will decrease fast. Beta equals 1 means that the stock has the same movement as IHSG. Beta lower than 1 and not negative means that the stock means the stock is lower than the market. If the market moves up and down, the stock in this beta will decrease or increase tends to be small (Husnan, 2001).

A single index model is a method used to determine the optimal portfolio. This method assumed that the price of a security fluctuates in the line with market price index (Hartono, 2013). The single index model assumes that the rate of return on a market index generates the systematic risk affecting the stock returns. The calculation of the single-index model is used to simplify the calculation of Markowitz and also used to calculate the expected return and portfolio risk. Hartono (2013) mentioned mathematically the single-index model is formulated as follows:

$$R_i = \alpha_i + \beta_i R_m + e_i$$

where:
R_i = return on stock-i
α_i = stock-i return component which not affected by market's movement
β_i = coefficient of beta stock
R_m = market index rate of return
e_i = residual error

The calculation of return on stock-i (R_i) is the changes of a company's stock over some time. Jogiyanto (2010) stated that the formula that can be used to determine the stock return is as follows:

$$R_{it} = \frac{P_t - P_{t-1}}{P_{t-1}}$$

where:
R_{it} = return of stock-i in t period
P_t = stock price of t period
P_{t-1} = stock price of t-1 period

Calculating market return (R_m) as cited on Sarumaha (2017) can use the data of the Composite Stock Price Index as follows:

$$R_{mt} = \frac{IHSG_t - IHSG_{t-1}}{IHSG_{t-1}}$$

where:
R_{mt} = market return on t period
$IHSG_t$ = composite stock price index on t period
$IHSG_{t-1}$ = composite stock price index on t-1 period

Theoretical Framework
This research is going to analyze the macroeconomics and fundamental factors towards the beta stock of food and beverage companies listed in IDX.
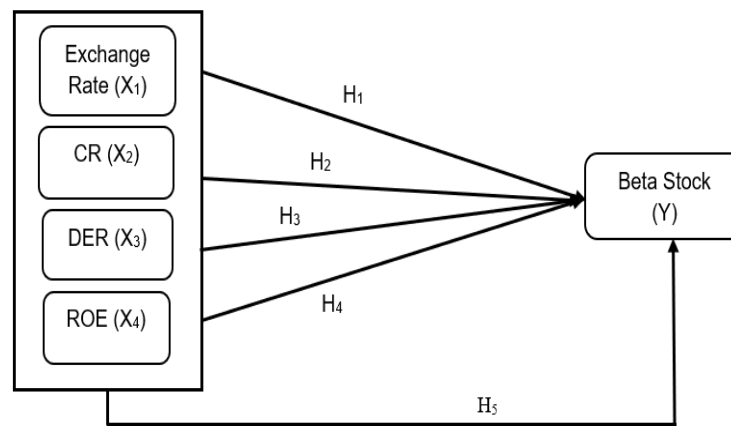
Figure 3. Theoretical Framework

Hypotheses

The hypotheses are determined regarding the problem and the theoretical framework above, as follows:

H_1. There is an influence of exchange rate towards beta stock of food and beverage companies listed in IDX.

H_2. There is an influence of CR towards beta stock of food and beverage companies listed in IDX.

H_3. There is an influence of DER towards beta stock of food and beverage companies listed in IDX.

H_4. There is an influence of ROE towards beta stock of food and beverage companies listed in IDX.

H_5. There are influences of exchange rate, CR, DER and ROE toward beta stock of food and beverage companies listed in IDX.

3. RESEARCH METHOD

A research method is a technique used to collect and analyze data, so the researcher can get the conclusion which is the purpose of research. The research population is 13 food and beverage companies listed on IDX on the period 2015-2019 which are; 1. PT. Akasha Wira International Tbk, 2. PT. Tiga Pilar Sejahtera Food Tbk, 3. PT. Tri Banyan Tirta Tbk, 4. PT. Delta Djakarta Tbk, 5. PT. Indofood CBP Sukses Makmur Tbk, 6. PT. Indofood Sukses Makmur Tbk, 7. PT. Multi Bintang Indonesia Tbk, 8. PT. Mayora Indah Tbk, 9. PT. Prasidha Aneka Niaga Tbk, 10. PT. Sekar Laut Tbk, 11. PT. Siantar Top Tbk, 12. PT. Tunas Baru Lampung Tbk, and 13. PT. Ultra Jaya Milk Industry & Trading Tbk. The researcher processes the collected data by gathering it from various sources, such as IDX websites, yahoo finance, companies' official websites, and others. Purposive sampling is the sampling technique used in this research which is categorized as non-probability sampling. The purposive sampling criteria applied in this research are the company listed on IDX, the company published an annual financial report on period 2015-2019, and the company is not potentially delisting. The method of data analysis of this research is descriptive statistic analysis, classical assumption test, multiple linear regression analysis, and hypothesis testing.

4. RESULTS AND DISCUSSION

Classical Assumption Tests
1. Normality test

Normality test is used to test whether the residual distributes normally or not (Ghozali & Ratmono, 2017). In this research, the researcher uses the Jarque-Bera test. The result of probability value in this research is 0.121990 which is more than significance level $\alpha = 0.05$. Thus, the data is proven normally distributed.

2. Multicollinearity test

The multicollinearity test is used to determine if the independent variables are correlated. If there is a correlation between independent variables above 0.8, a multicollinearity problem occurs (Gujarati, 2012). The recommended selection for VIF criteria is with the values which are less than 5.

The highest value of the matric is 0.170258 which is the correlation between DER and ROE. It also showed the correlation between ROE and exchange rate is -0.051399, exchange rate and CR is -0.040427, CR and DER is -0.352782, ROE and CR is 0.047085, and exchange rate and DER -0.011392. All of the independent variables in this research have shown a correlation coefficient of less than 0,8, which concluded that there is no multicollinearity. The result of the VIF test is less than 5.

3. Heteroscedasticity test

Ghozali & Ratmono (2017) defines the heteroscedasticity test to identify if there is any inequality variance of residuals among variables. The white test is one of the heteroscedasticity tests which is used in this research. The value of probability Chi-square of Obs*R-squared is equal to 0.0648 which more than the significance level which is $\alpha = 0.05$. It can be concluded that there is no heteroscedasticity occurs in this research.

4. Autocorrelation test

An autocorrelation test can be done by using DW. Santoso & Singgih (2012) stated that this test is used to find out if there is any correlation between the linear regression model and error in a series of observations sorted according to time series data. The result of DW of this research is 1.998597 which showed that the value is less than +2 and more than -2. It can be concluded that there is no autocorrelation occurs in this research.

The equation may be constructed as follows based on the results of multiple linear regression analysis:

BETA STOCK = 1.232393 – 0.0000331 EXCHANGE RATE – 0.087068 CR - 0.074106 DER – 0.109816 ROE

F-Test

Santoso & Singgih (2012) mentioned that the F-test is used to find out whether the independent variables simultaneously have a significant influence toward the dependent variable by comparing the probability (F-statistic) with the significance level of 0.05.

Table 1. F-Test

F-Statistic	2.096048
Prob(F-Statistic)	**0.092457**

Source: Proceed Data by EViews 10

Based on the table 1, the probability value of f-statistic is 0.092457 which is higher than 0.05 (0.092457 > 0.05). It means the H_{05} is accepted and H_{a5} is rejected, which means that there is no significant simultaneous influence of exchange rate, CR, DER, and ROE toward beta stock of food and beverage companies listed in IDX.

T-Test

If the probability value of the independent variable less than 0.05, it indicates that the alternative hypothesis is accepted. It means that the independent variable has a significant influence toward the dependent variable partially. Based on multiple linear regression analysis results, the result of the t-test are as follows:

1. The probability value of exchange rate is 0.8714 which higher than 0.05. It can be concluded that H_{01} is accepted and H_{a1} is rejected. This means that exchange rate has no significant influence towards beta stock of food and beverage companies listed in IDX.

2. The probability value of CR is 0.0080 which less than 0.05. It can be concluded that H_{01} is rejected and H_{a1} is accepted. This means that CR has a significant influence towards beta stock of food and beverage companies listed in IDX.
3. The probability value of DER is 0.2743 which higher than 0.05. It can be concluded that H_{01} is accepted and H_{a1} is rejected. This means that DER has no significant influence towards beta stock of food and beverage companies listed in IDX.
4. The probability value of ROE is 0.5732 which higher than 0.05. It can be concluded that H_{01} is accepted and H_{a1} is rejected. This means that ROE has no significant influence towards beta stock of food and beverage companies listed in IDX.

According to the elaboration above, the t-test result shows that exchange rate, DER, ROE has no partially significant influence toward beta stock of food and beverage companies listed in IDX. The variable of CR has a significant partial influence towards beta stock which is 0.0080.

Coefficient of Determination (Adjusted R^2)

The adjusted R-squared in table 3 shows a value of 0.064111. The coefficient of determination is used to measure the percentage effect of all independent variables toward the dependent variable partially or simultaneously. The coefficient of determination shows how much the ability percentages of independent variables describing the dependent variable. If the value of the coefficient of determination is closer to one, it shows that the dependent variable in this research can be explained by the independent variables stated by Cameron & Windmeijer (1997).

Table 3. Coefficient of Determination

R-Squared	0.122604
Adjusted R-Squared	**0.064111**

Source: Proceed Data by EViews 10

The independent variables used in this model are exchange rate, CR, DER, and ROE which are able to explain 6.41% of the dependent variable. While, the rest of 93.58% is explained by other variables, which are not examined in this research. It means the effect of exchange rate, CR, DER, and ROE toward beta stock is weak.

The Influence of Exchange Rate toward Beta Stock

The first hypothesis states that there is a significant partial effect of exchange rate towards beta stock of food and beverage companies listed in IDX. Based on table 4.8, presents that the significant value is 0.8714 indicates that the hypothesis is rejected. The exchange rate has a negative and insignificant influence towards beta stock. A fluctuates exchange rate will reduce investor's interest in investing because the return will be difficult to predict. Ismawati (2018) mentioned the exchange rate has a negative significant influence towards beta stock.

The Influence of Current Ratio toward Beta Stock

The second hypothesis states that there is a significant partial effect of CR towards beta stock of food and beverage companies listed in IDX. Based on table 4.8, presents that the significant value is 0.0080 indicates that the hypothesis is accepted. CR has a negative and significant influence towards beta stock. This finding is supported by Sulistia et al. (2020) stated that there is a positive significant influence of CR towards beta stock. CR is a measure of a company's capacity to pay off all of its current debts. The lower the CR, the less capable the firm is of covering current liabilities. The risk of a high-liquidity company is lower than a low-liquidity company.

The Influence of Debt to Equity Ratio toward Beta Stock

The third hypothesis states that there is a significant partial effect of DER towards beta stock of food and beverage companies listed in IDX. Based on table 4.8, presents that the significant value is 0.2743 indicates that the hypothesis is rejected. DER has a negative

insignificant influence towards beta stock. Low DER usually showed a more financially stable business. A higher DER is riskier to investors than the low ratio. For an investor, a high ratio means a riskier investment. It means the company does not have enough money to pay the debt. This finding is supported by Jazuli & Witiastuti (2016) where there is a negative no significance of DER towards beta stock was found.

The Influence of Return on Equity toward Beta Stock

The fourth hypothesis states that there is a significant partial effect of ROE towards beta stock of food and beverage companies listed in IDX. Based on table 4.8, presents that the significant value is 0.5732 indicates that the hypothesis is rejected. ROE has a negative insignificant influence towards beta stock. Laraswati et al. (2018) stated there is a negative significant influence of ROE towards beta stock. ROE is a ratio to show the company's ability to generate net income using its own capital and generate net income for investors. An investor can use this ratio as a measure of return of profit. ROE showed how much profit the company makes for every rupiah invested by shareholders. A company with higher ROE will attract an investor for investing their stock, so the risk will be higher. A higher return on equity will affect beta stock became higher too and a low return on equity will cause a lower beta stock.

The Most Significant Influence Factor towards Beta Stock

The result of the t-statistic test result will be used to define which the most influence until the least influence of independent variables toward dependent variable. The higher t-statistic value showed it is the most significant toward the dependent variable. Based on the value of probability in t-statistics, the researcher can rank the level of significant influence. If the probability value is closer to zero, it means it has a higher significance influence toward the independent variable. Based on table 4.8, the most significant variable that influences towards beta stock in food and beverage companies listed in IDX is CR. The probability value is the closest to zero compared to others' values which is 0.0080. In conclusion, the CR of a company in food and beverage is determining the beta stock. CR is a ratio to measure the company's ability to pay the current debt. When the company has high liquidity, the possibility to be able to pay the current debt will be high. It means the company becomes less risky. For an investor, the higher value of CR is not always a good sign. If the company's CR is too high, it showed that the company is not effectively using its current assets.

5. CONCLUSION

Based on the research result, it can be concluded that:
a. Exchange rate has a negative and insignificant influence towards beta stock of food and beverage companies listed in IDX in Indonesia.
b. CR has a negative and significant influence towards beta stock of food and beverage companies listed in IDX in Indonesia
c. DER has a negative insignificant influence towards beta stock of food and beverage companies listed in IDX in Indonesia
d. ROE has a negative insignificant influence towards beta stock of food and beverage companies listed in IDX in Indonesia
e. The influence of exchange rate, CR, DER, and ROE toward beta stock of food and beverage companies listed in IDX in Indonesia is found to be insignificant simultaneously.
f. Based on the test result simultaneously, the most significant variable that influences towards beta stock of food and beverage companies listed in IDX is CR.

Recommendation

Based on the result of research, the researcher would like to give several beneficial recommendations for related parties such as the company, investors, and as well as the further researcher, as follows:

1. **For Investors**
   Beta stock measures the systematic risk of the company. Before investing in stock, an investor should analyze more carefully to get the expected return with minimum risk. Based on this research, an investor can pay attention to exchange rate, CR, DER, and ROE.
2. **Food and Beverage Companies**
   The company can pay attention to the macroeconomics factor such as exchange rate to get know the systematic risk of the company's stock. By maintaining liquidity and profitability will increase the value and performance of the company. It affects the investor's interest to invest in the company.
3. **Future Researcher**
   It expected the future researcher to add other variables besides the independent variables mentioned in this research which are exchange rate, CR, DER, and ROE. The variables can only explain for 6.41% of beta stock which shows that there are still other factors influencing toward beta stock that might be considered can increase the result of adjusted R-squared in explaining the dependent variable. For example, asset growth can be one of the variables. A high asset growth ratio showed that a company does expand, prospects for successful expansion will affect the investor's interest. A higher successful probability, more stocks will be bought, so that the stock price tends to increase. It means the stock risk of the company will tend to decrease. Moreover, the future researcher can also analyze the other industry in IDX or research within the newest period of samples to get more information about the factors affecting beta stock.

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