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The Influence Of Profitability, Liquidity, Leverage, And Dividend Policy On Investor Response: Firm Size As A Moderation

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ABSTRACT

This study aimed to examine the effect of profitability, liquidity, leverage, and dividend policy on investors' response; with firm size as the moderating variable. Moreover, the study was quantitative. The data collection technique used purposive sampling. In line with that, there were 334 samples from 39 Property and Real Estate companies listed on the Indonesia Stock Exchange during 2012-2021. Furthermore, the data analysis technique used multiple linear regression. As the result concluded that (a) profitability had a positive effect on investors' response;(b) liquidity had a positive effect on investors' response; (c) leverage did not affect investors' response; (d) dividend policy did not affect investors' response; (e) firm size was not able to moderate the effect of profitability on investors' response; (f) firm size was able to moderate positively the effect of liquidity on investors' response; (g) firm size was not able to moderate the effect of leverage on investors' response; and (h) firm size was not able to moderate the effect of dividend policy on investors' response

Keywords: Profitability, Liquidity, Leverage, Dividend Policy, Firm Size,Investors' Response

1. INTRODUCTION

The establishment of a company certainly has long-term goals and plans, namely to maintain the company's survival, with proper planning can be a motivation for the company to achieve its goals and objectives, in which the company's goal is to be able to maximize the value of the company which is reflected in the company's share price. High company value can be characterized by the high price of the company's shares, with high company value will be able to prosper company owners and shareholders, and can provide a positive response from potential investors or prospective shareholders to invest or invest in the company. Stock return or also known as stock return is the profit that investors get when investing in the capital market, but in the investment concept there are other things that investors will face, namely risk. Investors in investing in addition to taking into account the return to be obtained, also need to take into account the risk. The higher the return, the higher the risk will be.

Financial ratio analysis is used to measure the performance of a company, by using financial ratio analysis investors can obtain financial information published by the company to predict the return on investment in the capital market. Investors who carry out an analysis of a company's financial ratios can find out the strengths and weaknesses of a company in the financial sector. In this study the analysis of financial

ratios used is the ratio of profitability, liquidity and leverage are used to assess the company's performance. Apart from going through financial ratios, an assessment of dividend policy and firm size is also carried out to assess the impact on investor response.

Profitability ratio according to Kasmir (2017: 196) is a ratio to assess a company's ability to generate profits. This ratio is also a measure of management efficiency, which is expressed in return on sales or income on investment. In this study using return on equity. The liquidity ratio according to Kasmir (2017: 196) is an indicator of an assessment of a company's ability to fulfill its short-term obligations. This study uses the current ratio, which is the ratio most commonly used to analyze a company's working capital position by using the current ratio, namely the ratio between total current assets and current liabilities. The solvency or leverage ratio is a ratio that compares all the company's debt to the company's assets with the company's assets. This study uses a debt to equity ratio which is used by comparing all debt with equity. Dividend policy is a company decision that is made through a general meeting of shareholders, in which case the company decides to distribute profits earned by the company to shareholders as dividends or will be retained in the form of retained earnings for future investment (Harjito and Martono, 2014: 270).

Rational investors will choose to invest their funds by choosing efficient stocks, which will provide maximum returns with a certain risk, or returns with minimal risk, in this case what investors usually pay attention to is from the financial side through analysis of a company's financial ratios, so that Firm size in this study is used as a moderating variable that aims to strengthen or weaken the influence of the independent variable on the dependent. Based on the background that has been described, this research was conducted because of the novelty in this study, namely by using firm size as a moderating variable in profitability, liquidity, leverage, and dividend policy and there has no consistent results with the previous research. The reason why firm size is used as a moderating variable is because rational investors tend to look at the company's financial condition first compared to firm size.

2. LITERATUR REVIEW

a. Signalling Theory

Signaling theory is a theoretical foundation that is widely used in management research and in explaining investment decisions (Yasar et al., 2020). Signal theory states that investors are able to distinguish high value companies from low value companies. The signal in question is information about the condition of the company. Disclosure of information regarding financial reports and management reports is an example of a signal related to information about the condition of a company. Information can contain information or notes on the past or future state of the company, so that information is a very important element for investors to know. This information is needed by investors as an analytical tool for making investment decisions.

b. Share Return

Return is the result that will be obtained by investors in investing in the capital market (Hartono, 2014: 263). The goal of investors to invest is to make a profit, so if they don't make a profit, the investor will not invest in the company. Based on this understanding, it can be concluded that stock return is a result or rate of return on profits obtained by investors in the activities of buying and selling shares in the capital market. Return consists of two types, namely realized return or realized return and expected return or expected return. The return used in this study is realized return because realized return is used as a measure of financial performance and is useful as a basis for determining expected return and risk in the future.

$$RS = \frac{Pt - Pt - 1}{Pt - 1}$$

Description:
Rs = Stock Return
Pt = Closing Price Current Period t
Pt-1 = Closing Price Previous Period t-1

c. Profitability

Profitability according to Kasmir (2017: 196) is a ratio to assess a company's ability to generate profits. Company profits can be calculated by the company's ability to obtain profits related to sales, total assets, or own capital. Thus long-term investors will be very interested in analyzing this ratio. Meanwhile, according to Bustami and Heikal (2019), profitability is a company's ability to generate profit (profit) which will be the basis for dividend distribution to the company. In this study, profitability is proxied by return on equity, which is the ratio used to assess a company's ability to generate profits using its own capital.

$$Return\ On\ Equity\ = \frac{\text{Net Income After Tax}}{\text{Total Equity}}$$

d. Likuidity

The liquidity ratio according to Kasmir (2017: 196) is an indicator of an assessment of a company's ability to fulfill its short-term obligations. According to Bustami and Heikal (2019), liquidity shows the ability of a company to meet financial obligations that must be met, or the company's ability to fulfill its financial obligations. In research, liquidity is proxied by the current ratio, which is the ratio most commonly used to analyze a company's working capital position by using the current ratio, namely the ratio between total current assets and current liabilities.

$$Current\ Ratio = \frac{\text{Current Asset}}{\text{Current Liabilities}}$$

e. Leverage

The Leverage Ratio is the ratio that compares all the company's debt to the assets owned by the company, to measure how high the company's assets are provided by the owner, and how much is funded from loans. This study uses the debt to equity ratio which is used to calculate the value of debt to equity. This ratio is found by comparing all debt, including current debt to equity.

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

f. Dividend Policy

Dividend policy is a decision whether the profit earned by the company will be distributed to shareholders as dividends or will be retained in the form of retained earnings for investment in the future (Harjito and Martono, 2014: 270). The amount of retained earnings will decrease and the amount of the company's internal financial funds will decrease if the company makes a decision to distribute the profits earned by the company as dividends.

$$Dividend\ Per\ Share = \frac{\text{Cash Dividend}}{\text{Number of Share}}$$

g. Firm Size

Firm size according to Riyanto (2011: 313) is the firm size which can be assessed from the value of equity, sales, or assets. In this study, firm size is assessed based on asset value. Large companies have large total assets as well. The larger the size of the company, the risk that the company has is also small, so that the size of the company can reflect the risks that investors will bear, so that investors prefer to invest in large companies because they have the possibility of providing large returns (Purwitajati and Putra, 2016).

$$Firm\ Size = \text{Ln Total Asset}$$

3. RESEARCH METHOD

This type of research is quantitative research with comparative casual. This study uses secondary data. The secondary data used in this study is in the form of financial statements of property and real estate companies with samples for 2012-2021. Secondary data sources in this study were obtained from the Indonesia Stock Exchange and the Indonesian Stock Exchange Website. Based on the criteria that have been set, it can be obtained 39 companies that meet the criteria as a research sample.

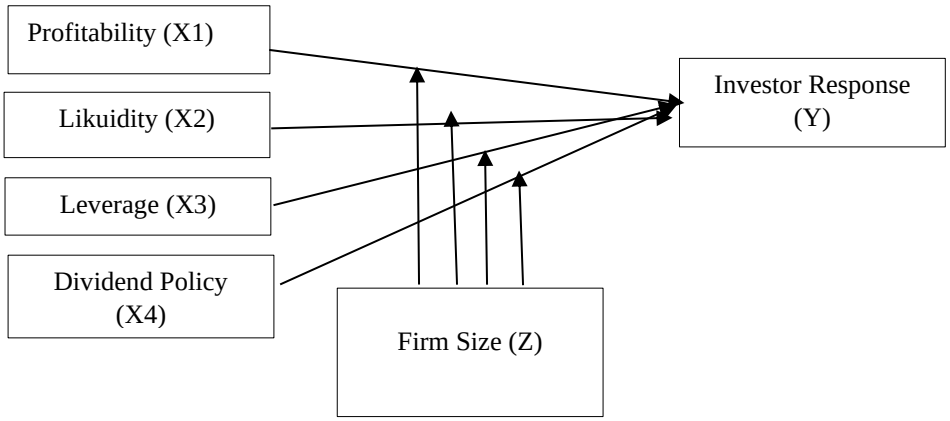

Image 1
Conceptual Framework

Hyphothesis Development

1. H1 : Profitability has a positive effect on investor response.
2. H2 : Liquidity has a positive effect on investor response.
3. H3 : Leverage has a negative effect on investor response.
4. H4: Dividend policy has a positive effect on investor response.
5. H5: Firm size moderates the positive effect of profitability on investor response.
6. H6: Firm size moderates the positive effect of liquidity on investor response
7. H7: Firm size moderates the negative effect of leverage on investor response
8. H8 : Firm size moderates the positive effect of dividend policy on investor response

4. RESULTS AND ANALYSIS

a. Descriptive Statistics

Tabel 1
Descriptive statistics

	N	*Minimum*	*Maximum*	*Mean*	*Std. Deviation*
ROE	334	-,418	,358	,05874	,102688
CR	334	,179	32,662	3,20687	4,001782
DER	334	,003	3,701	,71499	,530007
DPS	334	,000	500,232	17,57685	56,462713
SIZE	334	10,845	13,789	12,62623	,664694
RS	334	-,762	,782	-,01662	,262027
Valid N (listwise)	334				

Source : Secondary Data 2012 -2021.

In the table above Return On Equity has a minimum value of -0.418 and a maximum value of 0.358. This shows that the value of return on equity in the research sample ranges from -0.418 to 0.358 with an average value of 0.05874. Then the Current Ratio has a minimum value of 0.179 and a maximum value of 32.662. This shows that the value of the current ratio in the research sample ranges from 0.179 to 32.662 with an average value of 3.20687. Furthermore, the Debt to Equity Ratio has a minimum value of 0.003 and a maximum value of 3.701. This shows that the value of the debt to equity ratio in the research sample ranges from 0.003 to 3.701 with an average value of 0.71499. Dividend Per Share has a minimum value of 0.000 and a maximum value of 500.232. This shows that the value of the dividend per share in the research sample ranges from 0.000 to 500.232 with an average value of 17.57685. Then Company Size has a minimum value

of 10.845 and a maximum value of 13.789. This shows that the value of firm size in the research sample ranges from 10.845 to 13.789 with an average value of 12.62623, and finally, stock return, which is measured using 334 research data, has a minimum value of -0.762 and a maximum value of 0.782. This shows that the value of stock returns in the research sample ranges from -0.762 to 0.782 with an average value of -0.01662.

b. Classic Assumption Test

Normality test

Table 2
Kolmogorov-Smirnov

		Unstandardized Residual
N		334
Normal Parameters[a,b]	Mean	0,0000000
	Std. Deviation	,33582548
Most Extreme Differences	Absolute	,046
	Positive	,046
	Negative	-,041
Test Statistic		,046
Asymp. Sig. (2-tailed)		,091[c]

a. *Test distibution* is Normal.
b. *Calculated* from data.
Source : Output SPSS 26

The results of the normality test performed by Kolmogorov–Smirnov showed a significance value of Asymp. Sig. (2-tailed) of 0.091. Because the significance value is greater than 0.05 (0.091 > 0.05), the residual value can be said to be normal, and it can be concluded from the two normality tests using the normal probability plot graph and the Kolmogorov–Smirnov test showing that the regression model already has normal distribution.

Multicollinearity Test

Table 3
Multicollinearity Test

Model		***Collinearity Statistics***		**Information**
		Tolerance	**VIF**	
1	(Constant)			
	ROE	,815	1,227	No Multicollinearity
	CR	,638	1,567	No Multicollinearity
	DER	,752	1,330	No Multicollinearity
	DPS	,375	2,663	No Multicollinearity
	ROE*SIZE	,827	1,209	No Multicollinearity
	CR*SIZE	,560	1,785	No Multicollinearity
	DER*SIZE	,675	1,482	No Multicollinearity
	DPS*SIZE	,372	2,689	No Multicollinearity

a. *Dependent Variable*: PBV (Y)
Source : Output SPSS 26

The results of the multicollinearity test in table 3 above, the tolerance calculation results show that there are no independent variables that have a tolerance value of less than 0.10 (10%). The VIF calculation results also show that there is not one independent variable that has a VIF value of more than 0.10. Therefore it can be concluded that there is no multicorrelation between variables in the regression model used.

Autocorrelation Test

Table 4
Summary model[b]

Model	Durbin-Watson
1	1,833

a. Predictors: (Constant), DPS*SIZE, ROE, CR, DER*SIZE, ROE*SIZE, DER, CR*SIZE, DPS
b. Dependent Variable: RS

Source: Output SPSS 26

The results of the autocorrelation calculations, obtained the Durbin-Watson value of 1.833 which indicates that the regression model used has no autocorrelation problems because it is between -2 and 2. In addition, the resulting regression model can be used to estimate the value of the dependent variable on the value of the independent variable.

Heteroscedasticity Test

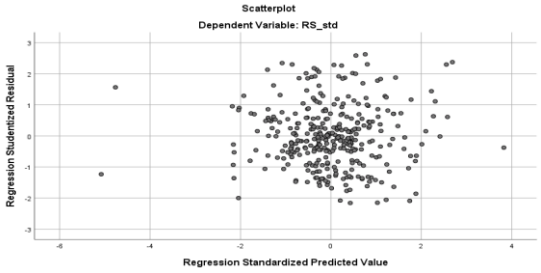

Image 2
Scatterplot Graph

Based on the resulting scatterplot graph, it can be seen that almost all points spread randomly, do not form a clear pattern and are spread above and below the number 0 on the Y axis. This means that there is no heteroscedasticity in the regression model, so the regression model is feasible to use to determine stock returns based on input from the independent variable.

Multiple Linear Regression Analysis

Table 5.
Multiple Linear Regression Analysis

Model		*Unstandardized Coefficients*		*Standardized Coefficients*	T	Sig.
		B	**Std. Error**	**Beta**		
1	(Constant)	-,151	,020		-7,377	,000
	ROE	,133	,024	,323	5,615	,000
	CR	,067	,030	,145	2,231	,026
	DER	,001	,021	,001	,024	,981
	DPS	-,012	,029	-,034	-,402	,668
	ROE*SIZE	,008	,022	,020	,359	,720
	CR*SIZE	,056	,026	,151	2,175	,030
	DER*SIZE	-,001	,025	-,003	-,043	,966
	DPS*SIZE	,036	,050	,060	,707	,480

a. Dependent Variable: RS
Source : Output SPSS 26

Multiple regression analysis is used to obtain the regression coefficient which will determine whether the hypothesis will be accepted or rejected. On the basis of the results of the regression analysis using a significance level of 5% (α = 5%), the following equation is obtained:

Rs = -0,151 + 0,133ROE + 0,067CR + 0,001DER - 0,012DPS + 0,008ROE*Size + 0,056CR*Size – 0,001DER*Size + 0,036DPS*Size + e

The results of the equation show that the variables return on equity, current ratio, debt to equity ratio, and variables moderated by firm size, namely return on equity, current ratio, and dividend per share have positive coefficients. This means that an increase in return on equity, current ratio, debt to equity ratio, as well as return on equity, current ratio, and dividend per share moderated by company size will increase investor response. Meanwhile, the dividend per share and debt to equity variables, which are moderated by company size, have a negative coefficient. This means that a decrease in dividend per share and debt to equity moderated by company size will increase investor response.

Coefficient Of Determination

Table 6
Adjusted R-Square
Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,349[a]	,122	,100	,339933

a. Predictors: (Constant), DPS*SIZE, ROE, CR, DER*SIZE, ROE*SIZE, DER, CR*SIZE, DPS

b. Dependent Variable: RS

Source: Output SPSS 26

The R^2 value is 0.122 or 12.2%. This shows that 0.122 or 12.2% of the variation in stock returns can be explained by the variables in the research model, namely return on equity, current ratio, debt to equity ratio, dividend per share, and company size. While the remainder is 0.878 or 87.8%, explained by other variables not included in the research model used.

Goodness Of Fit Test (f test)

Table 7
Goodness of Fit Test
ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5,223	8	,653	5,650	,000[b]
	Residual	37,555	325	,116		
	Total	42,778	333			

a. Dependent Variable: RS

b. Predictors: (Constant), DPS*SIZE, ROE, CR, DER*SIZE, ROE*SIZE, DER, CR*SIZE, DPS

Source: Output SPSS 26

The results of the F statistical test showed that the F_{count} was 5.650 with a significance level of 0.000, because the significance value was less than 0.05 (0.000 <0.05) so the regression model used in this study was fit or feasible to use in research. Thus it can be said that the variables return on equity, current ratio, debt to equity ratio, dividend per share, and firm size as moderating variables, are appropriate to be used as explanatory variables of stock returns.

Hypothesis Test (t test)

Table 8
T test calculation result

Coefficients[a]

Model		β	Sig.	α	Information	
1	(Constant)	-,151	,000			
	ROE	,133	,000	0,05	Positif Influence	(H_1 accepted)
	CR	,067	,026	0,05	Positif Influence	(H_2 accepted)
	DER	,001	,981	0,05	No Effect	(H_3 rejected)
	DPS	-,012	,688	0,05	No Effect	(H_4 rejected)
	ROE*SIZE	,008	,720	0,05	Not Moderating	(H_5 rejected)
	CR*SIZE	,056	,030	0,05	Moderate Positif	(H_6 accepted)
	DER*SIZE	-,001	,966	0,05	Not Moderating	(H_7 rejected)
	DPS*SIZE	,036	,480	0,05	Not Moderating	(H_8 rejected)

a. Dependent Variable: RS

Source : Output SPSS 26

1. The results of the research on the return on equity variable show that the regression coefficient (β) is 0.133 with a significant level of 0.000, which is lower than 0.05 (α=5%). So it can be concluded that return on equity has a positive effect on investor response.
2. The results of the research on the current ratio variable show that the regression coefficient (β) is 0.067 with a significant level of 0.026, which is lower than 0.05 (α=5%). So it can be concluded that the current ratio has a positive effect on investor response.
3. The results of the research on the debt to equity ratio variable show that the regression coefficient (β) is 0.001 with a significant level of 0.981, which is higher than 0.05 (α=5%). So it can be concluded that the debt to equity ratio has no effect on investor response.
4. The results of the study on the dividend per share variable show that the regression coefficient (β) is -0.012 with a significant level of 0.688, which is higher than 0.05 (α=5%). So it can be concluded that dividend per share has no effect on investor response.
5. The results of research on the variable return on equity moderated by firm size show the result that the regression coefficient (β) is 0.008 with a significant level of 0.720, which is higher than 0.05 (α=5%). So it can be concluded that firm size is not able to moderate the effect of return on equity on investor response.
6. The results of research on the variable current ratio which is moderated by firm size shows the result that the value of the regression coefficient (β) is 0.056 with a significant level of 0.030, which is lower than 0.05 (α = 5%). So it can be concluded that firm size is able to moderate the positive effect of the current ratio on investor response.
7. The results of research on the variable debt to equity ratio which is moderated by firm size shows the result that the regression coefficient (β) is -0.001 with a significant level of 0.966, which is higher than 0.05 (α = 5%). So it can be concluded that firm size is not able to moderate the effect of debt to equity on investor response.
8. The results of research on the dividend per share variable moderated by firm size show the result that the regression coefficient is 0.036 with a significant level of 0.480, which is higher than 0.05 (α=5%). So it can be concluded that firm size is not able to moderate the effect of dividend per share on investor response.

DISCUSSION

a. Effect of Profitability on Investor Response

For the return on equity variable in the table, the regression coefficient (β) is 0.133 with a significance t of 0.000 < α = 0.05. This means that profitability proxied by return on equity has a positive effect on investor response, so the results of this study support the proposed hypothesis and succeed in confirming consistency with signal theory. Return on equity has a positive effect on investor response, a high return on equity will result in an increase in stock returns as well. The influence of the results of this study has succeeded in confirming consistency with signal theory, because with this it means that investors have succeeded in

capturing good news signals from companies so that in investing investors consider the profitability of the company. The results of this study support research conducted by Fitriana (2016), Maulidinah (2019), Mukti (2018), and Bagaskara (2021) which concluded that return on equity has a positive effect on stock returns.

b. The Effect of Liquidity on Investor Response

For the current ratio variable in the table, the regression coefficient (β) is 0.067 with a significance t of 0.030 <α = 0.05. This means that liquidity proxied by the current ratio has a positive effect on investor response, so the results of this study support the proposed hypothesis and succeed in confirming consistency with signal theory. The current ratio has a significant positive effect on investor response, this means that a high current ratio will also increase investor response. The influence of the results of this study has succeeded in confirming the existence of consistency with signal theory, because with this it means that investors have succeeded in capturing good news signals from companies so that in investing investors consider the liabilities owned by the company. The results of this study support the research conducted by Parwati (2016) and Herawati (2017) which concluded that the current ratio has a positive effect on stock returns.

c. Effect of Leverage on Investor Response

For the variable debt to equity ratio in the table, the regression coefficient (β) is 0.001 with a significance t of 0.981 > α = 0.05. This means that leverage proxied by the debt to equity ratio has no effect on investor response, so the results of this study do not support the proposed hypothesis and fail to confirm consistency with signal theory. Research conducted by Kurnia (2015) shows that some investors have different considerations in looking at a company's debt to equity ratio. Investors see that the debt to equity ratio is the magnitude of the company's responsibility to third parties, namely creditors who provide loans to the company. The results of this study support research conducted by Lestari (2016), Sudarsono (2016), Mukti (2018), and Maulidinah (2019) which concluded that the debt to equity ratio has no effect on stock returns.

d. Effect of Dividend Policy on Investor Response

For the dividend per share variable in the table, the regression coefficient (β) is -0.012 with a significance t of 0.688 > α = 0.05. This means that dividend policy proxied by dividend per share has no effect on investor response, so the results of this study do not support the proposed hypothesis and fail to confirm consistency with signal theory. This study shows that the ineffectiveness of the research results also means that it is not successful in confirming consistency with signal theory, because this means that company signals are not captured as good news or bad news by investors, so that the size of the dividend cannot be used as a measure of an investor in assessing the stock returns he gets. . The results of this study support research conducted by Widiarini (2019) which concluded that dividend policy has no effect on stock returns. Research conducted by Rianti (2019) also concluded that dividend policy has no effect on stock returns.

e. The firm Size in Moderating the Effect of Profitability on Investor Response

For the return on equity variable which is moderated by firm size in the table, the regression coefficient (β) is 0.008 with a significance t of 0.720 > α = 0.05. This means that firm size is unable to moderate the effect of profitability on investor response, so the results of this study do not support the proposed hypothesis and fail to confirm consistency with signal theory. This study shows that the ineffectiveness of the research results also means that it is not successful in confirming consistency with signal theory, because this means that company signals are not captured as good news or bad news by investors, so that the size of the company cannot be used as a measure of an investor in assessing the level of company profitability. on stock returns to be obtained by investors. The results of this research support research conducted by Yuliasari, Wijaya, and Widiasmara (2019) which states that firm size cannot moderate the effect of profitability on stock returns.

f. The firm Size in Moderating the Effect of Liquidity on Investor Response

For the current ratio variable which is moderated by firm size in the table, the regression coefficient (β) is 0.056 with a significance t of 0.030 > α = 0.05. This means that firm size is able to moderate positively or succeed in strengthening the influence of liquidity on investor response, so that the results of this study support the hypothesis proposed and succeed in confirming consistency with signal theory. Firm size is able to strengthen the effect of liquidity on investor response, this means that large companies have a high current ratio which will also increase investor response. The results of this research also support research conducted by Nur (2019) which concluded that firm size can moderate the relationship between liquidity and stock returns.

g. The firm Size in Moderating the Effect of Leverage on Investor Response

For the debt to equity ratio variable which is moderated by firm size in the table, the regression coefficient (β) is -0.001 with a significance t of 0.966 > α = 0.05. This means that firm size is not able to moderate the effect of leverage on investor response, so the results of this study do not support the proposed hypothesis and fail to confirm consistency with signal theory. This study shows that the ineffectiveness of the research results also means that it is not successful in confirming consistency with signal theory, because this means that company signals are not captured as good news or bad news by investors, so that the size of the company cannot be used as a measure of an investor in assessing the level of company leverage. on stock returns to be obtained by investors. This research is in line with research conducted by Pratiwi (2019) which states that firm size is unable to moderate the effect of the debt to equity ratio.

h. The firm Size in Moderating the Effect of Dividend Policy on Investor Response

For the dividend per share variable which is moderated by firm size in the table, the regression coefficient (β) is 0.036 with a significance t of 0.480 > α = 0.05. This means that firm size is not able to moderate the effect of dividend policy on investor response, so the results of this study do not support the proposed hypothesis and fail to confirm consistency with signal theory. This study shows that the ineffectiveness of the research results also means that it is not successful in confirming consistency with signal theory, because this means that company signals are not captured as good news or bad news by investors, so that the size of the company cannot be used as a measure of an investor in assessing the level of dividend policy. company on stock returns that will be obtained by investors. The results of this research support research conducted by Apriliyanti, Hermi, and Herawaty (2019) and Afifah (2021) which states that firm size is unable to moderate the effect of dividend policy.

5. CONCLUSION

Based on the data analysis and discussion that has been carried out in the previous chapter, the results of this study can be concluded as follows:

1. Profitability has a positive effect on investor response, thus the first hypothesis is accepted.
2. Liquidity has a positive effect on investor response, thus the second hypothesis is accepted.
3. Leverage has no effect on investor response, thus the third hypothesis is rejected.
4. Dividend policy has no effect on investor response, thus the fourth hypothesis is rejected
5. Firm size has no effect in moderate ROE on investor response, thus the fifth hypothesis is rejected.
accepted
7. Firm size has no effect in moderate DER on investor respons, thus the seventh hypothesis is rejected..
8. Firm Size has no effect in moderate DPS on investor response, thus the eighth hypothesis is rejected.

Limitations

1. The value of the coefficient of determination in the mash study is relatively small, namely 0.122 which indicates the variables of profitability, liquidity, leverage, dividend policy, and firm size as a moderator are only able to influence investor response by 12.2%, which means that there are other variables outside the study of 87.8 % which can affect the variables studied.

Advice

1. For investors, profitability and liquidity can be used as a measure of investors to determine the stock return that will be obtained when making an investment. But besides profitability and liquidity there are other factors that can explain the company's stock return.
2. For further research, in order to be able to add variables and samples studied. Because there are many other factors that can explain stock returns. The more the number of samples, periods, and variables added, the better the research results will be.

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