

The Effect of Investment Risk and Stock Liquidity on Stock Returns

Teresia Apliana Rodho¹, Hendrato Setiabudi Nugroho²

¹ Teresia Apliana Rodho: Management, FEISHum, University Of Aisyiyah Yogyakarta, Yogyakarta, Indonesia, 55292

² Hendrato Setiabudi Nugroho: Management, FEISHum, University Of Aisyiyah Yogyakarta, Yogyakarta, Indonesia, 55292
Email: teresiaapliana@gmail.com¹; hendrato.nugroho@unisayogya.ac.id²

ABSTRACT

Investment is a commitment to sacrifice consumption in the present (sacrifice current consumption) with the aim of increasing consumption in the future, investment is always associated with returns and risks. In investing, investors cannot know with certainty the results they will get in investing. However, usually the reason people want to invest is to make a profit, even though this may not necessarily happen. The purpose of the research is to determine the effect of investment risk and stock liquidity on stock returns in the banking sub-sector listed on the Indonesia Stock Exchange (IDX). The data used in this study is secondary data obtained from the annual financial reports of banking companies listed on the Indonesia Stock Exchange for 2017 - 2021. The population in this study totaled 16 companies, and samples obtained as many as 80 financial report data. The method used in this research is descriptive statistics. Partial testing of the t test obtains proximate Investment Risk results with (beta) a negative effect on stock returns. Meanwhile, stock liquidity (Trading Volume Activity/TVA) has a positive effect on stock returns. Simultaneous test results with the F test, namely Investment Risk proxied by (beta) and Stock Liquidity (Trading Volume Activity/TVA) jointly affect stock returns.

Keywords: Investment Risk, Stock Liquidity, Stock Return

INTRODUCTION

In Indonesia, banking has a market share of 80% of the entire existing financial system (Abidin, 2007). The banking industry is a financial institution that plays an important role in maintaining the economic stability of a country. The existence of the banking industry is also increasing needed by the government to boost the progress of the country's economy (Mawaddah & Safitri, 2021). Like a company, the ultimate goal of a bank is to maintain the viability of the bank through making a profit. That is, income must be greater than all costs incurred, especially considering that banks work with funds obtained from the public that are deposited with banks on the basis of trust. Therefore, operational activities must be carried out as effectively and efficiently as possible to gain benefits for the company. The economic growth of a country is usually seen from its capital market, the capital market itself can be interpreted as an alternative source of financing for both the government and the private sector (Permata and Ghoni, 2019). The last time the Indonesian capital market has shown development which is quite exciting, causing more and more shares to be listed on the Exchange Effect. This of course requires a certain strategy to buy stocks will be profitable, where the shares sold on the primary market can become choice to invest (Safitri, 2013).

According to Law No. 10 of 1998 concerning banking, a bank is a business entity that collects public funds in the form of savings and distributes them to the public in the form of credit and/or other forms in order to improve the community's standard of living. Activities to collect funds from the public are carried out in the form of demand deposits, savings and time deposits. Deposits from the public are usually given attractive remuneration such as interest and other gifts. Investment is a commitment to sacrifice consumption in the present (sacrificing current consumption) with the aim of increasing consumption in the future (Wardani 2020), investment can involve hiding

capital in real assets such as land, gold, houses, and also in assets financial such as deposits, stocks, bonds, mutual funds, and other securities. Rational investors always want the maximum return from their investments (Nugroho, 2020). Investors will usually look for alternative.

Investments that generate high returns with certain risks. In the context of management, the level of return on investment is called return, a very natural thing if investors demand a certain rate of return on the funds they have invested. The returns expected by investors from their investments are compensation for opportunity costs (opportunity costs) and the risk of decreasing purchasing power due to the influence of inflation (Tandelilin, 2017). Liquidity according to the Indonesian Stock Exchange (IDX) is smoothness which shows the ease of disbursing investment capital. Stock liquidity still has a relationship with stock returns so that the higher the level of stock liquidity, the faster and easier the stock is traded so that the change in stock to cash is faster (Reily & Brown, 2009). This makes investors pay close attention to liquid stocks in investing in the hope that they will generate returns (Marasabessy, 2017). Liquidity has an important role in stock trading, this can be seen from the strength of issuers when an issuer is delisted. The cause of an issuer experiencing delisting is usually because the liquidity of its stock trading is very low or it is not actively traded.

LITERATURE REVIEW

1. Definition of Investment

According to the Financial Services Authority (OJK) Investment is an investment, usually in the long term to procure complete assets or purchase shares and other securities to obtain profits. According to Tandelilin (2010) investment is a commitment to a number of funds or other resources made at this time, with the aim of obtaining a number of benefits in the future. Judging from the time period, investments are divided into three types, namely short-term investments, medium-term investments, and

long-term investments. In general, the factors influencing stock returns include systematic or market risk and financial risk, as highlighted. Another contributing factor to stock returns is business risk (Palisungan, 2020). Meanwhile, in terms of the type of assets, investment is divided into investment in real assets and investment in non-real assets (financial assets). Investments in real assets, for example in land, buildings, machinery and equipment. As for investments in non-real assets, for example investing in securities (Wardani 2020). Several factors influence a person's investment, including:

- Expected Rate of Return
- The interest rate where if the borrowing costs are higher, it will have an impact on investment costs that are also getting bigger.
- Availability of factors of production
- Market share
- Conducive business climate, including security and political stability.

2. Capital Market

According to the Capital Market Law no. 8 of 1995 concerning the Capital Market defines the capital market as activities concerned with public offerings and securities trading, public companies related to the securities they issue, as well as institutions and professions related to securities. business dynamics that occur in a country. The capital market has an important role for the economy of a country because the capital market performs two functions. The first function of the marketcapital as a means for business funding or as a means for companies to obtain funds from investors. Funds obtained from the capital market can be used for business development, expansion, working capital investment and others. The second function of the capital market is to become a means for the public to invest in financial instruments such as stocks, bonds, mutual funds, and others. Thus, the public can place their funds according to the characteristics of the advantages and risks of each instrument (Azis, 2015).

3. Stock

One of the main elements for a business to run well is capital. There are various kinds of sources of capital that can be obtained by an entrepreneur to advance his business, including 10 are; personal capital, loans from banks or third parties such as issuing company shares for sale to the public. Shares can be defined as a sign of the equity participation of a person or party (business entity) in a company or limited liability company. Shares can be defined as a sign of the participation or ownership of individual investors or institutional investors or traders for their investment or a number of funds invested in a company. The characteristics of shares include being able to obtain dividends, having voting rights at GMS, being able to have Pre-emptive Rights (HMETD) or rights issues, and there is potential for capital gains or capital losses (Azis, 2015). In its development, the Indonesia Stock Exchange (IDX) as an institution that has the authority to trade shares implements a scripless system, which is

manifested in the form of an account in the name of the wner at a securities or securities company.

4. Definition of Risk

Risk can arise due to conditions of uncertainty, risk can be defined in various ways, for example risk can be defined as an adverse event. Another definition that is often used for investment analysis is the possibility of the results obtained deviating from the expected results. According to the Financial Services Authority 2016 in Rustam (2017) risk is the potential loss due to an event. Risk is defined as a failure to achieve the required results. All activities carried out individually or in an organization, each of which must contain risks because they contain elements of uncertainty in them, these risks can occur because there is no or lack of information about things that will happen in the future, be it things that are profitable or detrimental.

5. Stock Liquidity

Stock liquidity is one of the important factors in investing that needs to be considered by investors, stock liquidity for short-term investors is very important to see the size of the profit that will be obtained. Liquidity is an obligation that must be met in financing its short term obligations. Companies that have high liquidity will not take advantage of debt financing, because it shows that the company has large internal funds. Liquidity shows the company's ability to pay short-term financial obligations on time. Liquidity acts as a ratio that measures a company's ability to meet maturing short-term obligations, companies that have a high level of liquidity indicate good news for the company, this will later influence the company to submit its financial statements in a timely manner because it will make market reaction was positive towards the company. Stock trading activity can be seen through the trading volume indicator (trading volume activity). Trading volume can be used as a tool to analyze the movement of a stock because trading volume actually describes the battle between supply and demand for stock transactions Trading Volume Activity (TVA) is an instrument that can be used to see market reaction to information through parameters of movement of trading volume activity in the market. capital, because the TVA value is directly proportional to the liquidity of the stock, the higher the TVA value of a share, it means that a share can be sold easily because many are willing to buy shares so that shares are easily converted into cash. The TVA calculation is done by comparing the number of shares traded in a certain period with the total number of outstanding shares in the company during the same period.

6.Return

One of the goals in investing is to increase welfare or standard of living in the future and reduce inflationary pressures. Because of this, investors definitely hope and want the maximum return from their investment. Return is the result or profit obtained from investment activities carried out by investors (Tandelilin, 2010). There are two kinds of returns, namely realized returns and expected

returns. Return realization is the return that has occurred and is calculated based on historical data. Return realization plays an important role for investors to measure and view company performance as a reference for determining return expectations and risks in the future (Hartono, 2018). Expected return is the amount of profit expected by investors that will occur in the future and is uncertain. The size of a company, often measured by its market capitalization, plays a crucial role in determining the level of risk and potential returns associated with its stock (Nugroho, 2019). In trading activities in the capital market, it does not always promise a definite return for investors, but there are main components that are a source of stock returns that allow shareholders to gain profits, namely dividends and capital gains (Hartono, 2018).

METHOD

In this study, the type of method used is a quantitative method, because in this study the data generated from the research is numeric or numeric in nature, as well as data analysis using statistics (Sugiyono, 2019).

Operational definition

1. Return Stock

Stock return is the level of profit received by investors for an investment they make. In capital market theory, the rate of return received by an investor from shares traded on the capital market (company shares going public) is usually termed return. The stock market does not always promise a definite return for investors. However, several components of stock returns that allow investors to make profits are dividends, bonus shares, and capital gains.

$$R_t = \frac{P_{it} - P_{it-1}}{P_{it-1}} \times 100\%$$

Keterangan :

R_t = Return Saham

P_{it} = Harga saham pada periode t

P_{it-1} = Harga saham pada periode sebelumnya (t-1)

2. Investment Risk (BETA)

Investment risk is the potential loss that can be experienced by investors from the results invested, risk is divided into two types, namely systematic risk and unsystematic risk.

$$\beta_i = \frac{\sigma_{iM}}{\sigma_M^2}$$

Keterangan :

β_i = Koefisien untuk sekuritas

σ_{iM} = Kovarian dari return

σ_M^2 = Varian dari return indeks saham

3. Stock Liquidity

Stock liquidity is a smoothness that shows the ease of disbursing investment capital. Stock liquidity is still related to stock returns so that the higher the level of stock liquidity, the faster and easier the shares are traded so that the change in shares to cash is faster. Stock trading activity can be seen through the trading volume indicator (trading volume activity). Trading volume activity is a ratio to see the market reaction to an event. Calculation of Trading Volume Activity (TVA) is carried out for a certain period with the total number of shares outstanding in the same period.

TVA is formulated as follows:

$$\text{Volume perdagangan} = \frac{\text{volume saham yang diperdagangkan}}{\text{jumlah saham yang terdaftar di bursa}}$$

Population and Sample

The population of the research is all companies listed on the IDX in 2017-2021. The sample of the research is banking companies listed on the IDX in 2017-2021

Table 1 : sampling

No	Criteria	Amount
1	The banking industry that has been listed on the Indonesia Stock Exchange from 2017-2021	42
2	The bank has submitted its financial reports regularly and has complete financial data as required in this study.	16

Sampling Technique Sampling in this study used a purposive sampling technique. The purposive sampling technique is a technique used by using special criteria for the sample.

Data Collection Tools and Methods

The data collection method was carried out by downloading data in the form of financial reports and stock prices of banking sub-sector companies listed on the IDX from the website <http://www.idx.co.id> and from the websites of companies that will be examined.

Management Methods and Data Analysis Results

1. Descriptive Statistics

Descriptive statistical analysis provides an overview or description of a data that can be measured by the average (mean), minimum, maximum and standard deviation values in the study.

2. Classic Assumption Test

The classical assumption test aims to test whether the regression model can be used or not. The classical assumption test can be carried out with the following measurements:

● Normality Test

According to Wardani (2020) a significant test for the effect of the dependent variable

through the t test will only be valid if the residuals we get have a normal distribution.

To test the normality of the data, the Kolmogorov Smirnov test (KS test) was used, namely by comparing the asymptotic significance (2-tailed) with $\alpha = 0.05$. The basis for drawing conclusions to determine data normality is as follows (Destry, 2015):

- If the probability (p-value) $< 5\%$, then the data is not normally distributed.
- If the probability (p-value) $> 5\%$ then the data is normally distributed

● Multicollinearity Test

The multicollinearity test aims to test whether the regression model has a correlation between the independent (independent) variables. According to (Ghozali, 2016) multicollinearity testing can be observed through the Factor Inflation Variable with the condition that $VIF < 10$, it can be said that multicollinearity does not occur. If tolerance > 0.1 then there is no multicollinearity

● Heteroscedasticity Test

The heteroscedasticity test aims to test whether in the regression model there is an inequality of residual variation from one observation to another. According Nurlita (2018) a good regression model is one that has homoscedasticity or does not have heteroscedasticity. To detect whether there is heteroscedasticity, you can use the Glejser test, which is to regress the absolute value.

- If the probability value is > 0.05 then H_0 is rejected, meaning there is a heteroscedasticity problem.
- If the probability value is < 0.05 then H_0 is accepted, meaning that there is no heteroscedasticity.

● Autocorrelation test

The autocorrelation test is used to test whether in the regression model there is a correlation between the confounding errors in period t and the confounding errors in the t-1 period (previously). To detect whether or not there is autocorrelation with the Durbin-Watson test (DW) with the following conditions :

- If $0 < d < d_L$, then there is a positive autocorrelation.
- If $d_L < d < d_U$, then there is no certainty whether there is autocorrelation or not.
- If $d - d_L < d < 4$, then there is a negative autocorrelation.
- If $4 - d_U < d < 4 - d_L$, then there is no certainty whether there is autocorrelation or not.
- If $d_U < d < 4 - d_U$, then there is no positive or negative autocorrelation.

● Multiple Linear Regression Test

Multiple Linear Regression is used for studies that have more than one independent variable. The multiple linear regression equation model in this study is as follows:

$$Y = a + b_1X_1 + b_2X_2 + \dots + b_nX_n.$$

With:

Y = independent variable

X = independent variables

a = constant (intercept)

b = Regression coefficient on each independent variable.

3. Hypothesis Test

● t test (Significant Test of Individual Parameters)

According to Ghozali (2016) the t statistical test was carried out to show how far the influence of one explanatory or independent variable individually explains the variation of the dependent variable. The basis for the decision is:

- If the significant value is > 0.05 , then there is no partial effect of the independent variable on the dependent variable.
- If the significance value is < 0.05 , then there is a partial effect of the independent variable on the dependent variable

● F Test (Simultaneous Significant Test)

(Rahayu, 2021) according to Ghozali (2016) the F statistical test basically shows whether all the independent variables included in the model have a joint or simultaneous influence on the dependent variable. The basis for returning the decision is:

- If the significance value of the F test > 0.05 then there is no effect of the independent variables simultaneously on the dependent variable.
- If the significance value of the F test < 0.05 then there is an effect of the independent variables simultaneously on the dependent variable

RESULT AND DISCUSSION

A. Overview

The number of samples in this study were 16 companies. The profiles of each banking company listed on the Indonesia Stock Exchange which are the samples in this study include:

Table 2 : Company List

B. Result

1. Descriptive statistics

Descriptive analysis is an analytical method in which data is collected, clarified, grouped, analyzed, and interpreted objectively so as to provide an overview of the object being discussed. Descriptive analysis in this study includes an assessment of the effect of investment risk, stock liquidity and stock returns. To find out a descriptive description including the average value (mean), standard deviation, minimum value, and maximum value, the researcher presents the data in the table below

Table 3 : Descriptive statistics

	Minimu m	Max	Mean	Std.Deviation
Risiko Investasi	-99,28	55,00	0,5851	15,32083
Likuiditas Saham	0,001	0,810	0,09249	0,141472
Return Saham	-0,86	4,23	0,2464	0,85761
Valid N (listwise)				

Based on the table above, it can be seen that the number of samples used in this study were 16 samples and the sampling period was 5 years, so $N = 80$. In addition, it can be seen that the variable return (Y) has the lowest (minimum) value of -0, 86 and the highest (maximum) value is 4.23. Return has an average (mean) of 0.2464 with a standard deviation of 0.85761.

2. Classic Assumption Test

● Normality test

The Normality test is carried out to test whether in a regression model, an independent variable and a dependent variable or both have normal or abnormal contributions. The data normality test can be carried out using the One Sample Kolmogorov Smirnov, namely with the provision that if the significant value is above 0.05, the data normally distributed. Meanwhile, if the results of the Kolmogorov Smirnov sample show a significant value below 0.05, then the data is not normally distributed.

Table 4: Normality test

One-Sample Kolmogorov-Smirnov Test

	Unstandardized Residual
N	80
Normal Parameters ^{a,b}	.0000000
Std. Deviation	1,23762784
Most Extreme Differences Absolute	0,266
Positive	0,179
Negative	-0,266

No	Kode Saham	Nama Emiten
1	AGRO	Bank Rakyat Indonesia Agro Niaga Tbk.
2	BABP	Bank MNC Internasional Tbk.
3	BBCA	Bank Central Asia Tbk
4	BBKP	Bank Bukopin Tbk
5	BBNI	Bank Negara Indonesia (persero) Tbk
6	BBRI	Bank Rakyat Indonesia Tbk
7	BDMN	Bank Danamon Indonesia Tbk
8	BKSW	Bank QNB Indonesia Tbk
9	BNGA	Bank Cimb Niaga Tbk.
10	BNLI	Bank Permata Tbk.
11	BMAS	Bank Maspion Indonesia Tbk
12	BMRI	Bank Mandiri (persero) Tbk
13	BSIM	Bank Sinar Mas Tbk
14	DNAR	Bank Oke Indonesia Tbk.
15	INPC	Bank Artha Graha Internasional Tbk
16	MAYA	Bank Mayapada International Tbk
Kolmogorov-Smirnov Z		.1382
Asymp. Sig. (2-tailed)		0,044

● Multicollinearity Test

The multicollinearity test aims to test whether the regression model has a correlation between the independent (independent) variables. Multicollinearity testing can be observed through the Variable Inflation Factor (VIF) with the condition that $VIF < 10$, it can be said that multicollinearity does not occur. If tolerance > 0.1 then there is no multicollinearity

Table 5 :Multicollinearity Test Coefficients^a

Model	Collinearity Statistics	
	Tolerance	VIF
(Cinstan)		
Risiko	0,851	1,175
Investasi	0,851	1,175
Likuiditas Saham		

Based on the table above shows the output of the multicollinearity test, it is known that the VIF value of the investment risk variable (X1) is $1.175 < 10$ and the tolerance value is $0.851 > 0.1$, so there is no multicollinearity, the VIF value of the stock liquidity variable (X2) is $1.175 < 10$ and tolerance is $0.851 > 0.1$, then there is no multicollinearity. So the output data of the multicollinearity test does not contain elements of multicollinearity or meets the assumptions so that multicollinearity does not occur.

● Heteroscedasticity Test

The heteroscedasticity test aims to test whether in the regression model there is an inequality of residual variations from one observation to another. According to

Nurlita (2018) a good regression model is one that has homoscedasticity or does not have heteroscedasticity. To detect whether there is heteroscedasticity, you can use the Glejser test, which is to regress the absolute value.

- If the significant value is > 0.05 then H_0 is rejected, meaning there is a heteroscedasticity problem.
- If the significant value is < 0.05 then H_0 is accepted, meaning that there is no heteroscedasticity.

Table 6 : Heteroscedasticity Test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Consrant)	-9268.750	22290.528		-0,416	0,679
Risiko Investasi Likuiditas Saham	-0,036	0,010	-0,409	-3,651	0,001
	212,016	68,383	0,345	3,080	0,003

Based on the table above, it shows the output of the heteroscedasticity test. The test results show a significant value for each variable in the table. It can be explained as follows.

- The significant value of the investment risk variable is $0.001 < 0.05$ then the data does not meet the assumptions and there is no heteroscedasticity.
- The significant value of stock liquidity is $0.003 < 0.05$, so the data fulfills no assumptions and there is no heteroscedasticity.

● Autocorrelation Test

The autocorrelation test is used to test whether in the regression model there is a correlation between the confounding errors in period t and the confounding errors in the $t-1$ (previous) period. To test for autocorrelation, the Durbin-Watson test can be used (Aulia, 2018). To detect the presence or absence of autocorrelation with the Durbin-Watson (DW) test with the following conditions:

- If $0 < dw < dL$, then there is a positive autocorrelation.
- If $dL < dw < du$, then there is no certainty whether there is autocorrelation or not.
- If $d-dL < dw < 4$, then there is a negative autocorrelation.
- If $4 - du < dw < 4 - dL$, then there is no certainty whether there is autocorrelation or not.
- If $du < dw < 4 - du$, then there is no positive or negative autocorrelation

Table 7 : Autocorrelation Test

Model Summary^b

Based on the table above shows that the Durbin-Watson value is

of 2.053, this indicates that the Durbin-Watson value is at $du < dw < 4 - du$, thus meaning that there is no autocorrelation.

● Multiple Linear Test

Multiple linear regression analysis of the panel data model is used to determine the effect of investment risk (X1), stock liquidity (X2) and stock return (Y) on the banking industry listed on the Indonesian Stock Exchange. Multiple regression testing of the panel data model was carried out to find the relationship between the independent variables and the dependent variable. Regression results can be seen in the following table:

Table 8 : Multiple Linear Test Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Consrnt)	-9268.750	22290.528		-0,416	0,679
Risiko Investasi Likuiditas Saham	-0,036	0,010	-0,409	-3,651	0,001
	212,016	68,383	0,345	3,080	0,003

Based on the data management in the table above, it produces a linear regression equation, as follows:

$$Y = -9268.750 - 0.036 (X1) + 212.016 (X2)$$

Based on the multiple linear regression equation, the following is the interpretation of the regression equation model

- A constant of -9268.750 means that without considering the independent variable or the dependent variable, the stock return remains at -9268.750
- The investment risk coefficient is -0.036 meaning that every 1% addition of investment risk will increase the company's stock return by -0.036. Because the regression coefficient is negative, it can be said that investment risk (X1) has a negative effect on stock returns (Y). So the regression equation is $Y = -9268.750 - 0.036 X$.
- The coefficient of stock liquidity is 212.016, meaning that every 1% addition of stock liquidity will increase the company's stock return by 212.016. Because the regression coefficient is positive, it can be said that stock liquidity (X2) has a positive effect on stock returns (Y). So the regression equation is $Y = -9268.750 + 0.036 X$.

● Test t

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.421 ^a	0.177	0.156	171834,48226	2,053

Testing for regression in this study was carried out using the statistical t test. This t test aims to determine whether there is an influence of the independent variables on the dependent variable individually. This test is carried out with the stages of testing the t test, namely:

a). If the sig t value is <0.05 , then it is rejected or the independent variable has a significant effect on the dependent variable.

b) if the sig t count > 0.05 , then H_0 is accepted or the independent variable has no significant effect on the dependent variable.

The results of individual testing (t-test) using the SPSS method can be seen in the following table:

Table 9 :Test t

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-9268.750	22290.528		-0,416	0,679
Risiko Investasi Likuiditas Saham	-0,036	0,010	-0,409	-3,651	0,001
	212,016	68,383	0,345	3,080	0,003

The results of the test significantly influence partially (t test) based on the table above

a) The t-count value of the Investment Risk free variable (X_1) is -3.651 which is negative. This value can be interpreted that the investment risk variable has a negative effect on stock returns. The significant value of the investment risk variable is $0.001 < 0.05$, so the investment risk variable has a significant effect on stock returns at a significant level of 5%.

b) The t-count value of the Stock Liquidity variable (X_2) is 3.080, which is positive. This value can be interpreted that the stock liquidity variable (X_2) has a positive effect on stock returns. The significant value of the stock liquidity variable is $0.003 < 0.05$, so the stock liquidity variable has a significant effect on stock returns at a significant level of 5%.

● F test

The F test was conducted to determine the relationship between the independent variables which together significantly influence the dependent variable. In this study the f test was analyzed through a comparison of the significance value produced with an α level of 5%, so if the significant value of the F test <0.05 , it can be concluded that the independent variables simultaneously have a significant effect on the dependent variable

Table 10 : F test

	Sum Of Square	Df	Mean Square	F	Sig.
Regression	490606531738,551	2	245303265869,275	8,308	0,001 ^b
Residual	2273585875695,468	77	29527089294,746		

Based on the table above, the results of the simultaneous test (F test) show that the significant value of F count (F statistics) is 0.001, it turns out $0.001 < 0.05$, then H_0 is rejected and H_a is accepted, which means investment risk (X_1) and stock liquidity (X_2) have a significant effect on the dependent variable, namely stock returns.

C. Discussion

1. The effect of investment risk on stock returns

Based on the results of partial testing, investment risk proxied by beta has a significant effect on stock returns. This is evidenced by the results of statistical testing on the t test where the significant value of the investment risk variable is 0.001 which indicates <0.05 , so it can be concluded that investment risk has a significant effect on stock returns.

2. Effect of stock liquidity on stock returns (Trading Volume Activity/TVA)

Based on the partial test results, liquidity has a significant effect on stock returns. This is evidenced by the results of statistical testing on the t test where the significant value of the stock liquidity variable is 0.003 which indicates <0.05 , so it can be concluded that stock liquidity has a significant effect on stock returns.

3. Effect of Investment Risk proxied by (beta) and Stock Liquidity (Trading Volume Activity/TVA) on Stock Returns

Based on the results of the F test, it shows that the independent variables, namely Investment Risk proxied by (beta) and Stock Liquidity (Trading Volume Activity/TVA) simultaneously have a significant effect on Stock Returns. This is evidenced by the results of statistical testing on the F test where the regression coefficient is 0.001 which indicates that <0.05 , it can be concluded that there is a simultaneous influence between investment risk proxied by beta and stock liquidity on stock returns in 16 listed banking sub-sector companies on the Indonesia Stock Exchange for the 2017-2021 period.

CONCLUSION AND RECOMMENDATION

● CONCLUSION

After analyzing and testing the hypothesis regarding the effect of risk investment proxied by (beta) and stock liquidity (Trading

Volume Activity/TVA) in 16 banking sub-sector companies listed on the Indonesia Stock Exchange (IDX) for the 2017-2021 period, the researchers draw the following conclusions:

1. Investment risk proxied by beta has a significant effect on stock returns. Then H1 is accepted because market risk is an unavoidable risk arising from rising inflation, rising interest rates and the economic cycle. Because high risk will cause the rate of return on shares that will be received by shareholders to get smaller.
2. Liquidity has a significant effect on stock returns. Then H2 is accepted. This means that the more liquid a stock is to be traded, the higher the stock return that will be received by investors. This is because TVA as a measure of stock liquidity shows a positive value that affects stock returns.
3. Investment risk which is proxied by (beta) and stock liquidity (Trading Volume Activity/TVA) simultaneously has a significant effect on stock returns. Then H3 is accepted because it simultaneously has a significant effect.

● RECOMMENDATION

Based on the research conducted by the researcher, the researcher provides suggestions for further research, namely

1. Extend the observation period
2. Using more samples in order to get even better results in future studies.

REFERENCE

- Abidin, J. (2007). Kinerja Efisiensi Pada Bank Umum. *Paper Dalam Prosiding Pesat (Psikologi Ekonomi Sastra Arsitek Dan Sipil)*, 2.
- Aulia, NB. (2018). Pengaruh Tingkat Suku bunga, Yield To Maturity dan Debt To Equity Ratio Terhadap Harga Sukuk Yang Beredar Di Bursa Efek Indonesia Periode 2015-2016 (Universitas Islam Negeri (UIN) Maulana Malik Ibrahim). <http://etheses.uin-malang.ac.id/12744/>
- Azis, M. (2015). Manajemen investasi Fundamental, Perilaku Investor Dan Return Saham, oks.google.co.id/books?id=QUn_CAAAQBAJ&pg=PA76&dq=penge.
- Brown, & Relly. (2009). *Analysis of Investment and Management Portofolio*. Canada: South Western Cengage Learning.
- Ghozali, I. (2016). *Aplikasi Analisis Multivariate dengan Program IBM SPSS 23 [Multivariate Analysis Application with the IBM SPSS 23 Program]*, (Kedelapan). Semarang: Universitas Diponegoro.
- Ghoni, MA (2019). Peran Pasar Modal Dalam Perekonomian Negara Indonesia. *Jurnal Akunstie*, 5, 50-61.
- Hartono, Jogiyo. (2018). *Teori Portofolio Dan Analisis Investasi*. Edisi Kesebelas. BPFE-YOGYAKARTA
- Iswandi. (2016). Pengaruh Beta Saham Terhadap Return Saham (Studi Pada Perusahaan Food And Beverages) di Bursa Efek Indonesia. *Jurnal Manajemen*, Vol 5.
- Marasabessy, A. I. (2017). Pengaruh Risiko Pasar, Likuiditas, Dan Ukuran Perusahaan Terhadap Return Saham (Studi Kasus Pada Perusahaan Otomotif Yang Terdaftar di BEI Periode 2013-2015) (Universitas Islam Negeri Maulana Malik Ibrahim). <http://etheses.uin-malang.ac.id/5955>
- Mawaddah, AIS dan Safitri, TA. 2021. Analisis Perbandingan Kinerja Bank Umum Konvensional Dan Bank Umum Syariah. *Jurnal Manajerial* 20(2): 299-310.
- Nugroho, HS, 2020, Portofolio Optimal Saham Menggunakan Indeks Tunggal Studi Empirik pada Saham-SAHAM JAKARTA Islamic Index (JII), *Liquidity : Jurnal Riset Akuntansi dan Manajemen* vol.9 no. 1, ITB Ahmad Dahlan.
- Nugroho, HS., dan Aji, SSB, (2019), Pembentukan Portofolio Optimal Saham-Saham di Bursa Efek Indonesia (BEI), *Jurnal Solusi : Kajian Ekonomi dan Bisnis* vol. 14 no. 2, Sekolah Tinggi Ilmu Ekonomi SBI.
- Nurlita, D. (2018). Pengaruh Dana Pihak Ketiga, Non Performing Loan dan Net Interest Margin Terhadap Penyaluran Kredit Serta Dampaknya Pada Profitabilitas (Studi Pada Bank Umum Konvensional yang Terdaftar di Bursa Efek Indonesia Periode 2012-2016) (Universitas Pasundan). <http://repository.unpas.ac.id/37123/>
- Palisungan, W. (2020). Pengaruh Risiko Investasi Terhadap Return Saham Pada Perusahaan Otomotif Yang Terdaftar Di BEI.
- Hernita T dan Rahayu, R. A. (2021). Dampak Pandemi Covid Terhadap Harga Saham Perusahaan Sektor Industri Barang Konsumsi Yang Terdaftar Di BEI. *Jurnal Manajemen Bisnis*, 24, 56-63.
- Rustaam. (2017). *Manajemen Risiko, Prinsip, Penerapan, dan Penelitian*. Jakarta Selatan: Salemba Empat.
- Safitri, Teti Anggita. 2013. Asimetri Informasi Dan Underpricing. *Jurnal Dinamika Manajemen* 4(1): 1-9. <https://journal.unnes.ac.id/nju/index.php/jdm/article/view/2419/2472>.
- Sugiyono. (2019). *Metode Penelitian Kuantitatif*. Alfabeta.
- Tandelilin, E. (2010). *Portofolio Dan Investasi*. Kanisius.
- Wardani, D. (2020). Pengaruh Risiko Investasi Dan Likuiditas Saham Terhadap Return Saham Perusahaan Manufaktur Sub Sektor Makanan Dan Minuman Yang Terdaftar Di BEI 2014-2018. *Skripsi*.

