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THE EFFECT OF COMPANY SIZE, ASSET GROWTH, LEVERAGE, PRICE TO EARNINGS RATIO, PRICE TO BOOK VALUE AND STOCK PRICE VOLATILITY IN ISLAMIC COMPANIES LISTED ON IDX-MES BUMN 17

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Abstract

This study aims to examine the effect of company size, asset growth, leverage, price to earnings ratio, price to book value, and earnings volatility on stock price volatility in Sharia companies listed on the IDX MES BUMN 17 index. The research population with the results of 10 Sharia companies that match the criteria for purposive sampling on 17 companies listed on the IDX MES BUMN 17 for the period 2021-2024. Data analysis using warpPLS with testing on descriptive statistics, model fit, outer model, and inner model. The results showed that company size, asset growth, leverage, and price to earnings ratio had no significant effect on stock price volatility. Price to book value has a positive and significant effect on stock price volatility and earnings volatility has a negative and significant effect on stock price volatility. The R-square test results show an R-square value of 0.718, which means that together the variables of company size, asset growth, leverage, price to earnings ratio, price to book value, and earnings volatility have a significant effect on stock price volatility.

Keywords: *Stock Price Volatility; Earnings Volatility; Price to Book value; Price to Earnings Ratio; Leverage.*

INTRODUCTION

As one of the Muslim-majority countries, Indonesia certainly has great potential for the growth of the Sharia company industry. Furthermore, the capital market plays an important role in supporting a country's economy because it functions as a medium to channel funds efficiently from those who have funds (investors) to those who need financing (issuers) to carry out productive activities.

There is an Islamic capital market which is a sharia-based financial system that is experiencing rapid growth with an increase in Muslim awareness of the importance of investing in accordance with Islamic teachings. In this system, all investment activities are carried out based on Sharia principles. The Financial Services Authority together with the National Sharia Council of the Indonesian Ulema Council determines and selects sharia stocks in Indonesia, then the OJK and the National Sharia Council of the Indonesian Ulema

Council issue a Sharia Securities List which contains a list of stocks that meet sharia criteria. Guided by the Sharia Securities List, the Indonesia Stock Exchange then provides open stock trading on its official website and publishes an Islamic stock index. IDX-MES BUMN 17 is one of the indices where there are 17 State-Owned Enterprises companies that issue sharia stocks.

In the capital market, stock price movements often show fluctuations. These fluctuations can be caused by various factors, such as the performance of the company's financial performance, the macroeconomic situation, as well as market perception and sentiment (Rahmawati, 2024). Sharia companies avoid involvement in activities that are contrary to Islamic teachings, such as usury practices and investment in non-halal sectors. These aspects can influence investors' views, which in turn have an impact on the level of volatility of its share price. Stock price volatility is one of the important parameters in the capital market that reflects how much the stock price of a company changes within a certain period of time. Several factors can affect stock price volatility, namely company size, asset growth and leverage which have a direct impact on the company's income prospects.

The size of a company can affect its share price. The larger the company, which can be measured by its total assets, it tends to be followed by a higher share price. Conversely, if the company is small, the share price will generally be lower (Syaiful s, 2013).

An increase in assets usually indicates an opportunity for greater income in the future. Stable asset growth accompanied by improved operational performance can strengthen investor confidence in the company (Aini et al., 2020), which in turn has the potential to increase stock prices.

Leverage refers to the utilization of borrowed funds to fund the company's assets. Although the use of debt can increase potential returns for shareholders, a high level of leverage also comes with greater risk. If a company has a large debt burden, changes in revenue can have a more significant impact on net income, which in turn can lead to increased stock price fluctuations.

Other factors that can affect stock prices are the Price to Earnings Ratio and Price to Book Value, which are measurement ratios in assessing the performance and value of company shares and to be able to assist investors in making better investment decisions.

Price to Earnings Ratio is one of the most popular tools in assessing the fair value of a stock. This ratio illustrates how much investors are willing to pay for each unit of profit generated by the company. Since the company's profits can fluctuate, the value of the Price to Earnings Ratio also changes, which in turn can affect investors' views and have an impact on stock price movements (Ali Khurshid et al., 2022).

Furthermore, the Price to Book Value Ratio measures the ratio between the stock market price and the company's book value. This ratio shows the extent to which investors

are willing to pay for each unit of book value owned by the company. Investors often use this ratio to determine whether a stock is worth buying or selling, thus influencing the volatility of stock prices in the market (Rahmawan dance, 2021).

METHODS

This type of research is quantitative, which means research that uses numerical data processed by statistical methods to understand phenomena to draw conclusions. Quantitative research is a process for growing knowledge using data and numbers as a tool in order to find information about the results of what we want to know (Drs. S. Margono, 1997). the population taken is Islamic stock companies listed on IDX-MES BUMN 17 in the period 2021-2024. There are 10 samples of companies from 17 companies on IDX-MES BUMN 17 which are taken using a non-probabilistic sampling method or can be called purposive sampling, namely by taking a sample that looks at a population using certain criteria so that it can obtain relevant data.

Table 1
Sharia Companies in IDX-MES SOE 17 Period 2021-2024

Kode Saham	Perusahaan
ANTM	Aneka Tambang Tbk.
ELSA	Elnusa Tbk.
IPCC	Indonesia Kendaraan Terminal Tbk.
PGAS	Perusahaan Gas Negara Tbk.
PTBA	Bukit Asam Tbk.
PTPP	PP (Persero) Tbk.
SMBR	Semen Baturaja (Persero) Tbk.
SMGR	Semen Indonesia (Persero) Tbk.
TLKM	Telkom Indonesia (Persero) Tbk.

The type of data in this study uses secondary data. measurement of stock price volatility variables by looking at the company's monthly stock price data collection for the 2021-2024 period. On the variables of company size, asset growth, leverage, price to earnings ratio, price to book value and earnings volatility by looking at the company's annual report for the 2021-2024 period. The data collection method in this study uses secondary data obtained from various sources related to the values in this study. In this study, secondary data were obtained from literature studies such as annual reports on

related companies, books, journals, scientific articles, and official websites. Data analysis technique according to Sugiyono is a stage that is carried out after the collection of all data in the study (Sugiyono, 2013).

In this study, the data analysis technique used warpPLS with test analysis on Descriptive Statistical Analysis, Model Fit, Outer Model, and Inner Model. Descriptive statistical analysis can help to present data in a more structured form. Descriptive statistics also serve to identify measures of data centering, measures of dispersion, and data group trends (Wahyuni, 2020). The fit model on warppls can be used to assess the fit of the research data. There are 10 indices of fit and model quality in the fit model according to (Kock, 2018) namely Average Path Coefficient (APC), Average R-squared (ARS), Average Adjusted R-squared (AARS), Average Block Variance Inflation Factor (AVIF), Average full collinearity VIF (AFVIF), Tenenhaus GoF (GoF), Simpson's paradox ratio (SPR), R-squared, contribution ratio (RSCR), Statistical Suppression Ratio (SSR), Nonlinear Bivariate Causality Direction Ratio (NLBCDR). The inner model is part of a model that can describe the relationship between latent variables that can form a model on the path coefficient. The inner model has 7 measurements consisting of R-Squared, Adj. R-Squared, Composite Reliability, Cronbach' Alpha, Average Variance Extracted, Full Collinearity VIF's, Q-Squared.

The research model created to describe this research is as follows:

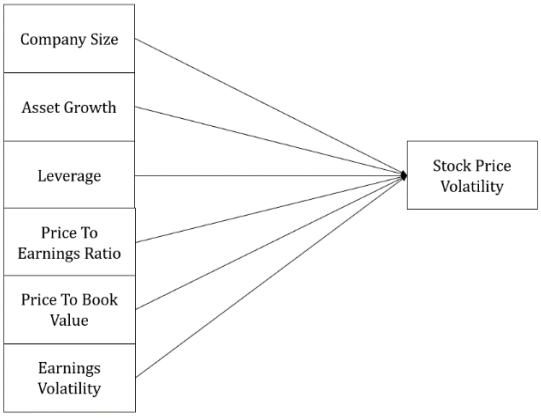

Figure 1. research model

RESULTS AND DISCUSSIONS

Basic Concept of Stock Price Volatility

The variables in this study consist of 7 (seven) variables consisting of company size, asset growth, leverage, price to earnings, price to book value, earnings volatility, and stock price volatility.

Stock price volatility is the level of fluctuations in stock prices from time to time, which stock price volatility can provide an overview of how quickly and how much stock prices rise and fall. Stock price volatility that fluctuates with high values can describe unusual supply and demand (Hugida, 2009). Stock price volatility is also a measurement of uncertainty for the profit sharing that will be obtained from the company's shares (Judokusumo, 2007). Stock price volatility in this study by calculating the standard deviation of stock returns per month in each company (Pambudi, 2024). Stock returns can be calculated based on changes in prices in a certain period, where in this study by looking at stock returns per month. Which can be formulated with the following formula:

$$\sigma = \sqrt{\frac{1}{n}\sum_{i-1}^{n}((R_t - R^{-})^2}$$

Whereabouts:
σ(sigma)= Stock price volatility.
n = Number of years of observation
R_t= Return in the i-th period.
R^{-}= Average return of all periods studied.

Basic Concepts of Company Size

Company size is a scale that shows the size of a company. Company size is usually measured based on total assets or total sales, which reflects the company's operational capacity and resources. According to (Brigham, Eugene F Huston, 2010) says that company size is a scale where it can be categorized as a large and small company in various ways, where company size is divided into 3 categories, namely large companies (large firm), medium companies (medium size), and small companies (small firm) (Suwito & Herawaty, 2005). can be formulated with the following formula:

$$Company\ size = Ln(total\ assets)$$

Basic Concept of Asset Growth

Asset growth can be interpreted as a change, be it an increase or decrease in the assets owned by a company. Asset growth is an asset that is used for operational assets in a company (Sari & Husni, 2021). Analysis for the calculation of asset growth is measured by comparing the assets owned by the company at the end of the year with the assets obtained in the previous period (Hashemijoo et al., 2012). Which is formulated with the following formula:

$$Asset\ growth\ = \frac{last\ period\ assets - previous\ period\ assets}{previous\ period\ assets}$$

Basic Concept of Leverage

Financial leverage can be interpreted where the company uses debt to finance assets. The debt funds used for funding these assets do not come from shareholders or investors, but use funds from lenders (creditors). Financing sourced from debt can generally increase the expected rate of return on an investment, but debt can also increase high investment risk for shareholders (Eguene F. Brigham and Joel F. Huston, 2017). The high value of leverage reflects the potential risk of financial difficulties in the future, especially due to the significant burden of fixed interest obligations (Ni Putu Sinta, 2024). The leverage ratio can be calculated using the debt to equity ratio (DER). Which where the debt to equity ratio (DER) is a financial ratio that can show the proportion of the relationship between debt and liabilities that aim to finance the company's assets, which means this ratio can measure the level of borrowing from the company. because this ratio can determine the amount of funds that creditors provide to company owners and to find out how much own capital is used as debt collateral. The debt to equity ratio (DER) formula is:

$$DER\ (debt\ to\ equity\ ratio\ ) = \frac{total\ debt}{total\ equity}$$

Basic Concept of Price to Earnings Ratio

Price to Earnings Ratio (PER) is a tool to measure the share price of a company compared to the earnings per share (Earnings Per Share) generated by a company. Price to Earnings Ratio (PER) is one of the ratios commonly used to measure market price per share with earnings per share (Simamora, 2000). A high Price to Earnings Ratio (PER) value generally illustrates investors' expectations of high earnings growth in the future, while a low Price to Earnings Ratio (PER) value indicates that the stock price is undervalued or the company faces low risk or growth. Price Earning Ratio (PER) calculation by dividing the company's share price by earnings per share. The formula for calculating the price earning ratio (PER) is as follows:

$$price\ to\ earnings\ ratio\ (PER) = \frac{stock\ price}{earnings\ per\ share}$$

Basic Concept of Price To Book Value

Price to book value (PBV) is one of the common financial ratios to measure or compare the market price of a stock to its book value. Price to book value (PBV) is often a reference for investors in choosing a stock price to assess whether the price of a stock is relatively cheap or expensive. A high price to book value (PBV) reflects that the market values the company far above its book value, usually driven by expectations of strong earnings growth in the future. Price to book value (PBV) has a benchmark where if the Price to book value (PBV) value shows a value of 1, the company shows that the current share price has a fair price, where the share price is equal to the company's book value. If the value of the Price to book value (PBV) shows a value> 1 then the share price is expensive (overvalued), where the share price of the company is higher than its book value. Furthermore, if the Price to book value (PBV) shows a value <1, the share price of the company has a cheap price (undervalued). Book value can be interpreted as the net asset value of a company. Book value in a company is also interpreted as the historical accounting value of residual equity in a company (Rotblut, 2015). The formula for calculating the Price to book value (PBV) can be formulated with the following calculation:

$$price\ to\ book\ value\ (PVB) = \frac{stock\ price}{book\ value\ per\ share}$$

Basic Concept of Volatilitas Laba

Earnings volatility is the level of fluctuation or change in earnings in the company from one period to the next. Earnings volatility is an indicator for measuring how stable the profit generated by the company is each year (Khurniaji, 2013). Companies with high volatility indicate that their profits often experience significant increases or decreases, while companies with low volatility indicate that their profits are more stable. Earnings volatility is also often used to be an indicator of business risk assessment in companies, because highly volatile earnings can show how information to assess the uncertainty of performance on corporate finance. Earnings volatility is a proxy of the company's business risk (Kim, 2001). Calculations on stock price volatility can be calculated by profit before tax divided by total assets with calculation research according to (Michael, 1984), (Sutandijo, 2019) and (Jannah & Haridhi, 2016). With the calculation formula formulated as follows:

$$Earnings\ volatility = \frac{earnings\ before\ interest\ and\ tax\ (EBIT)}{total\ assets}$$

Test Data

Analysis Descriptive Statistics

Based on calculations on the variables of company size, asset growth, leverage, price to earnings, price to book value, earnings volatility, and stock price volatility. data testing aims to be able to obtain results in research. Furthermore, the results of descriptive statistical testing can be seen in the following table:

Table 2
Statistics Descriptive

Variable	N	Min	Max	Mean	Std. Deviation
x1	40	0,19	22,74	14,43	5,78
x2	40	-44,16	63,17	6,38	0,17
x3	40	2,20	288,72	72,29	74,15
x4	40	3,37	119,00	16,71	18,51
x5	40	0,01	4,15	1,20	1,01
x6	40	0,26	35,72	9,97	0,08
y1	40	0,11	118,00	33,00	0,18

Model Fit

Model fit in warppls can be used to assess the fit of research data (Kock, 2018).

Table 3
Model Fit

description	Value	condition	Sig.	conclusion
Average path coefficient (APC)	0,244	< 0,05	0,024	Fit
Average R-squared (ARS)	0,718	< 0,05	<0,001	Fit
Average adjusted R-squared (AARS)	0,667	< 0,05	<0,001	Fit
Average block VIF (AVIF)	2,148	< 5	-	Fit
Average full collinearity VIF (AFVIF)	1,460	< 5	-	Fit
Tenenhaus GoF (GoF)	0,847	> 0,1	-	Fit
Sympson's paradoks ratio (SPR)	0,667	> 0,7	-	Fit
R-squared contribution ratio (RSCR)	0,893	> 0,9	-	Fit
Statistical suppression ratio (SSR)	1,000	> 0,7	-	Fit

Nonliniear bivariate causality direction ratio (NLBCDR)	0,833	> 0,7	-	Fit

Based on the results in the table, the APC value is 0.244 with a significance level of 0.024, which means it is significant because it is below the p-value limit of 0.05. The ARS and AARS values obtained a value of 0.718 and 0.667, respectively, which were declared fit because the requirements for the acceptance of the model on the fit model index must be equal to or less than 0.05 of the significant value. The AVIF and AFVIF values in the model used obtained results of 2.148 and 1.460. From the results of the AVIF and AFVIF indices, it is declared ideal because the value is <3.3, which is far below the threshold of <5. The GoF value in the model used obtained a result of 0.847, which is in the large category. From the GoF index results, it is stated that the explanatory power of the research model is likely to be accepted. The SPR value in the model used obtained a value of 0.667, which is slightly below the ideal requirement of >0.7. Although not fully qualified, the difference is relatively small, so the risk of contradiction is still tolerable. The RSCR value is 0.893, also slightly below the ideal requirement of >0.9 The value that is slightly lower than the threshold indicates that the influence of the independent variables is good. The SSR value in the model used obtained 1.000, which meets the ideal requirement of >0.7. This result also states that at least 92 paths in the model are free from statistical suppression. The NLBCDR value obtained is 0.833, which meets the ideal requirement of >0.7. This result states that there are at least 80 instances of related paths in a model.

Outer Model

The outer model in the WarpPLS data test is part of the model that explains the relationship between latent variables and their indicators. This outer model measures how indicators can form latent variables, and the parameters estimated in the outer model (Kock, 2018).

Table 4
outer model

Variabel	indikator	loadings	Pvalue	keterangan	Weight	VIF	Uji Sig
Company size(x_1)	X_1.Y	1.000	<0,001	Valid	1	0,000	Sig.
Asset growth (x_2)	X_2.Y	1.000	<0,001	Valid	1	0,000	Sig.
Leverage (x_3)	X_3.Y	1.000	<0,001	Valid	1	0,000	Sig.

Price to Earnings (x_4)	X_4.Y	1.000	<0,001	Valid	1	0,000	Sig.
Price to Book Value(x_5)	X_5.Y	1.000	<0,001	Valid	1	0,000	Sig.
Earnings volatility (x_6)	X_6.Y	1.000	<0,001	Valid	1	0,000	Sig.

Based on the Outer Model test results on the company size, asset growth, leverage, price to earnings, price to book value, and earnings volatility variables, it shows that all indicators used to measure the research variables have an outer loading value of 1.000 which indicates that the variable indicators are very valid in representing the measured variables. In addition, the p-value is <0.001 which means it shows a value of <0.05 so that it can be interpreted that all indicators are statistically significant at a significant level of 1. This means that these indicators are significant for measuring the variables used in the study. Then seen from the VIF value for the indicators used in the study, the value shows less than 2.5, so it is concluded that there is no multicollinearity.

Inner Model

Model fit is general information about how the quality of the model and the fit index that aims to be able to determine whether a model has a better fit to the original data than other models (Kock, 2018).

Table 5
Inner model

	Comz.x1	Asetg.x2	DER.x3	PER.x4	PBV.x5	Vol.l.x6	Volsp.y1
R-Squared							0.718
Adj. R-Squared							0.667
Composite Reliab.	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cronbach' Alpha	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Avg. Var. Extrac.	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Full Collin.VIF	1.860	1.147	1.465	1.188	1.901	1.249	1.249

Q-Squared	0.714

The coefficient of determination uses R- Squared which shows the percentage of variance of the endogenous/criterion construct that can be explained by the constructs hypothesized to affect it (exogenous/predictors). R-Squared values of 0.75; 0.50; and 0.25 for each endogenous latent variable in the structural model can be interpreted as substantial, moderate, and weak. The R-Squared value in this study shows a number of 0.718 which indicates that the variables of company size, asset growth, leverage, price to earnings, price to book value, and earnings volatility are able to explain variations in stock price volatility by 71.8%. Adjusted R-Squared is 0.667 which shows the strength of the model after adjusting for the sum of all variables. The composite reliability, Cronbach's alpha, and average variance extracted values of 1.000 each indicate that the instruments in this study have excellent reliability and validity. In addition, the full collinearity VIF value below 3.3 indicates the absence of multicollinearity problems between variables. Finally, the Q-Squared value of 0.714 confirms that the model has good predictive ability.

Results

The results in this study use the P value for calculating the value of each variable. To measure the hypothesis test in this study, WarpPLS has a value requirement on each variable, where the hypothesis can be accepted if the p value is <0.05. The path coefficient value is also considered to be able to determine the direction and strength of influence on each variable (Kock, 2018).

Table 6
Hasil

Independent Variable	Dependent Variable	Path Coef.	P.Value	Result
Company size (x_1)	Stock Price Volatility (y_1)	0.203	0.084	Tidak signifikan
Assets growth (x_2)	Stock Price Volatility (y_1)	0.024	0.440	Tidak signifikan
Leverage (x_3)	Stock Price Volatility (y_1)	0.092	0.274	Tidak signifikan
Price to Earnings (x_4)	Stock Price Volatility (y_1)	0.004	0.490	Tidak signifikan
Price to Book Value (x_5)	Stock Price Volatility (y_1)	0.742	<0.001	Signifikan
Earnings volatility (x_6)	Stock Price Volatility (y_1)	-0.399	0.002	Signifikan

The test results show that company size, asset growth, leverage, price to earnings ratio have no effect on volatility by showing path coefficients> 0.05. Furthermore, the price to book value variable shows the path coefficients value of (p = <0.001) which means that price to book value has a positive and significant effect on stock price volatility. The test results on earnings volatility show path coefficients of -0.300 (p=0.002). This means that earnings volatility affects stock price volatility with a path coefficient value of -0.300 which indicates that earnings volatility has a negative and significant effect on stock price volatility.

The mechanism of firm size on stock price volatility

The results showed that company size had no effect on stock price volatility by showing a statistical test number> 0.05. The results in this study strengthen previous research which states that company size has no effect on stock price volatility in a company (Harnanti & Nurdiana, 2025). Company size does not affect stock price volatility because with the increasing size of the company, there are more activities in a company, public information will be wider and more accessible to investors. Large companies also tend to have extensive and guaranteed activities which can reduce business failure or bankruptcy. Companies with a large scale generally have higher liquidity and more stable financial conditions, so that large companies have lower risks, which can convince investors to continue to invest. so this can reduce uncertainty in investors to invest their capital which can lead to stock price stability in the company's capital market.

The mechanism of assets growth on stock price volatility.

In asset growth, the results show that asset growth has no effect on stock price volatility which shows that the significance value is at a value> 0.05, which means that asset growth cannot affect stock price volatility (Rachmawaty & Afridayani, 2023). In this case in a company, asset growth does not always give an idea to a company if their operational conditions are good. Additional assets may result from large purchases or acquisitions, but without an increase in profits or operational efficiency, investors may not consider it a significant positive signal. In asset growth, the debt factor that finances asset growth can also make investors reconsider their decision to invest to focus on other things which results in asset growth not providing a strong enough signal for investors so that asset growth does not affect stock price volatility. Stock price fluctuations can also be influenced by how investors view the company's future growth potential. Despite the increase in

assets, investor uncertainty about the company's business prospects can cause stock prices to remain volatile.

The mechanism of Financial leverage on stock price volatility.

The results in this study which show a statistical test number> 0.05 are in line with previous research (Jasselyn & Edi, 2021) which says that investors to see stock prices do not pay attention to DER as a measuring tool in market performance. Companies that have efficiency in the stock market will provide relevant information, including how the level of leverage in the company. If the company has a strategy and anticipates the risks of leverage, then changes in leverage do not cause significant fluctuations in stock prices. In the Islamic financial system, the use of interest-based debt (riba) is also highly restricted, so Islamic companies tend to rely on funding from equity rather than debt. This causes the company's leverage ratio to be relatively low and does not fluctuate, so its effect on stock price volatility has a significant impact. Based on signaling theory, investors usually respond to financial structure as an indicator of risk. However, since leverage in Islamic companies tends to be stable and low, investors do not view it as a major risk factor. Therefore, changes in leverage do not significantly affect stock price movements. In contrast, investors targeting Islamic stocks place more emphasis on profit stability, compliance with sharia principles, and the long-term prospects of the company. In this context, leverage as a reflection of debt burden becomes less relevant, especially if the company does not rely on debt in its business growth.

The mechanism of Price to earnings on stock price volatility.

Penelitian (Fahrozi & Rodi Muin, 2021) mendukung hasil pada penelitian ini yang menunjukan angka uji statistik >0,05 mengatakan bahwa price to earnings ratio tidak berpengaruh terhadap volatilitas harga saham. Price to earning ratio dapat memberikan Research (Fahrozi & Rodi Muin, 2021) supports the results in this study which shows a statistical test number> 0.05 saying that the price to earnings ratio has no effect on stock price volatility. Price to earnings ratio can give an idea of how market conditions are for a stock. Although PER reflects stock valuation based on the level of profit by seeing whether a stock is classified as expensive or cheap, this ratio does not directly indicate the level of price volatility. Stock price movements are more influenced by a combination of various internal and external factors that are complex in nature. This result shows that investors do not view Price to Earning (PER) as the main indicator in assessing the risk or instability of stock prices. Since corporate earnings, which are the earnings per share (EPS) component in the Price to Earning ratio (PER) can fluctuate sharply due to seasonal factors, accounting policies, or one-time events, the Price to Earning ratio (PER) tends to

be unstable and less accurate as a fundamental indicator. This ratio does not directly reflect the level of risk, so it does not have a significant effect on stock price volatility. In addition, for Islamic investors, the Price to Earning ratio (PER) is considered less relevant as a basis for making investment decisions. They pay more attention to indicators such as earnings stability and book value to price (PBV) ratio as the main considerations..

The mechanism of earnings volatility to stock price volatility.

In this study, the results of data testing showed a significance between earnings volatility and stock price volatility with a value below <0.05. These results indicate that there is an effect of earnings volatility on stock price volatility. Supported by research (Astuti et al., 2021) which states that earnings volatility has a negative and significant effect on stock price volatility. Where the instability of earnings by a company causes stock price volatility to tend to decrease, and vice versa if the company's earnings are stable it will cause higher stock price volatility. When company profits are inconsistent, investors tend to view them as a signal of high risk and uncertainty of business prospects. This makes them reluctant to make transactions on the stock, which leads to a slowdown in price movements and a decrease in volatility. Conservative investors, including Islamic investors, usually prefer companies with stable and predictable earnings. High earnings fluctuations reduce the attractiveness of the stock in the eyes of investors, resulting in lower trading volume and lower price volatility. Furthermore, when a company's earnings tend to be stable, investors are not encouraged to make sudden purchases or sales. This reduces speculative transaction activity, which is generally the main factor causing high stock price volatility..

Company size, asset growth, leverage, price to earnings, price to book value, and earnings volatility together affect stock price volatility stock price volatility.

Based on testing the research data, it can be seen that the R-squared value is 0.718, which means that the variables of company size, asset growth, leverage, price to earnings, price to book value, and earnings volatility together can explain stock price volatility by 71.8%, then there are 28.2% explained by other factors in the study. In some existing literature there are several other factors that can affect stock prices such as conditions in the macro economy, such as trading volume, inflation, exchange rates, and interest rates. However, all of these variables were not included in this study because the researcher wanted to examine in depth the variables that were used as objects in the study..

CONCLUSION

This study was conducted to see how the effect of company size, asset growth, leverage, price to earnings, price to book value, and earnings volatility on stock price volatility in Islamic companies listed in IDX MES BUMN 17 in the period 2021-2014, where there is a sample of 10 companies. Testing in this study using warpPLS 6.0. Based on the results of this study, company size has no significant effect on stock price volatility. Large companies tend to have high liquidity, more open public information, and lower risk. This creates price stability because investors are more confident in investing, so there is no sharp price fluctuation.

Asset growth has no significant effect on stock price volatility. This is because additional assets do not necessarily reflect efficiency or profitability. Islamic investors tend to look at other factors such as business prospects and profit stability. Without an increase in value or market confidence, asset growth is not considered a strong signal..

Leverage has no significant effect on stock price volatility. this is because Islamic companies avoid debt-based financing, so their leverage is generally low and stable. Islamic investors also focus more on sharia compliance and financial stability, not debt ratios.

Price to earnings ratio does not significantly affect stock price volatility, PER only illustrates relative valuation, not reflecting risk. Since EPS can fluctuate and PER is not considered a strong signal in Islamic investments, investors do not make PER the main basis in assessing stock price risk.

Price to book value has a positive effect on stock price volatility. . PBV reflects the market's perception of the company's value. A high PBV is considered a positive signal (overvalued), while low is considered undervalued, triggering a market reaction. Investors react to changes in PBV, which causes fluctuations in stock prices.

Earnings volatility has a significant negative effect on stock price volatility, which means that the effect of high earnings volatility is not in line with high stock price volatility and vice versa.

Variabel ukuran perusahaan, pertumbuhan aset, leverage, price to earnings, price to book value, dan volatilitas laba secara bersama-sama berpengaruh terhadap volatilitas harga saham dengan menunjukan nilai R-Square 0,718.

The variables of company size, asset growth, leverage, price to earnings, price to book value, and earnings volatility jointly affect stock price volatility by showing an R-Square value of 0.718.

Future researchers are advised to expand the scope of the sample, to other Islamic companies in other Islamic stock indices so that the results are more generalized to the entire Islamic capital market in Indonesia. For future research, it is hoped that there will be more in-depth research on other factors that can affect stock price volatility, and it is

recommended for research on other indices to be able to extend the observation time period so that long-term trends and market cycles are more visible, and reduce bias due to temporary fluctuations..

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