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THE ROLE OF IT-BASED ACCOUNTING SYSTEMS IN PREDICTING COMPANY STOCK PRICE : EVIDENCE FROM LQ45 INDEX COMPANIES

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Abstract

This study aims to determine the extent to which accounting information and the adoption of Information Technology (IT) influence the stock prices of LQ 45 Index listed on the Indonesia Stock Exchange (IDX) between 2021 and 2024. The population in this study consists of all financial institutions listed on the IDX during the aforementioned period. A purposive sampling method was employed and resulted in a sample of 45 companies. The study incorporates key accounting indicators such as Earnings Per Share (EPS) and Price to Book Value (PBV), along with an additional IT variable. The findings reveal that IT has a significant positive effect on stock prices, as indicated by a high t-value and a statistically significant p-value. PBV also shows a significant influence, suggesting that companies with stronger market valuations relative to their book value tend to experience higher stock prices. In contrast, EPS does not exhibit a statistically significant impact on stock prices within the scope of this study. These results highlight the strategic role of IT adoption and market-based financial ratios, such as PBV, in shaping investor perceptions and influencing stock price behavior in the context of Indonesia's capital market.

Keywords: *Information Technology, EPS, PBV and Stock Return*

1. INTRODUCTION

Stock prices and accounting data are key determinants of financial market dynamics. Financial statements such as income statements, balance sheets, and cash flow statements reflect a company's overall financial performance. Companies listed in the LQ45 Index, which includes the most liquid and fundamentally strong firms on the Indonesia Stock Exchange are regularly assessed by analysts and investors based on three primary financial metrics: profitability, liquidity, and risk. Accurate and reliable accounting data plays a crucial role in increasing investor confidence and enhancing the perceived value of a company's stock. In the digital era, the role of Information Technology (IT) in the collection, processing, and dissemination of accounting information has become increasingly critical. The integration of IT into corporate accounting systems enables faster, more accurate, and more transparent financial reporting, which in turn supports better decision-making by investors. For companies in the LQ45 Index, effective use of IT not only improves internal reporting efficiency but also strengthens their credibility in the eyes of market participants.

Empirical evidence indicates that stock prices tend to rise following positive accounting disclosures, such as increased profitability or improved asset quality. Conversely, negative disclosures, such as unexpected losses or declining asset quality, can lead to a decrease in stock values. The accessibility of such information is further improved through technology-enabled platforms, such as digital financial dashboards and automated reporting systems, which reduce the information gap between investors and management and enable more informed investment decisions. According to the efficient market theory, stock prices reflect all available information, making accurate and timely accounting disclosures especially when supported by IT infrastructure, crucial for market integrity.

Regular financial statement disclosures from companies listed in the LQ45 Index, especially when enhanced by IT systems, are essential for promoting market stability and transparency. These companies are closely monitored by investors due to their strong fundamentals and high market liquidity. The impact of accounting information on stock prices can be influenced by various factors such as macroeconomic conditions, investor sentiment, sector-specific developments, and increasingly, the effectiveness of Information Technology (IT) adoption in financial reporting processes. Despite the presence of external influences, accounting data supported by robust IT infrastructure remains a key driver in shaping investor perceptions and determining stock price movements. Reliable, transparent, and timely financial disclosures enabled by digital reporting systems help reduce information asymmetry between management and investors. Therefore, for LQ45 companies, trustworthy and technology enabled accounting information is crucial for maintaining investor confidence and ensuring the integrity of financial markets.

The capital market refers to the buying and selling of long-term securities. To attract potential investors and persuade them to invest, companies need to provide financial information. In the current digital environment, the digitalization of financial disclosures through IT platforms is seen as a strategic tool to engage investors and enhance transparency. Potential investors may use stock price information when deciding whether to participate in a company’s IPO. According to Apriliani, Atikah (2024), shares of a limited liability company are financial assets provided by the company, serving as proof of ownership or interest. Investors may be willing to sell stocks when stock prices rise relative to the market price.

Companies listed in the LQ45 Index play a significant role in driving capital market activity, as they represent some of the most established and high-performing firms across various sectors in Indonesia. These companies are often the focus of institutional and retail investors due to their liquidity, strong fundamentals, and consistent financial disclosures. To maintain investor trust and remain competitive, it is essential for these companies to adopt effective financial and operational strategies including the integration of Information Technology (IT) into their accounting and reporting systems. The adoption of IT in corporate accounting operations not only enhances internal efficiency but also strengthens transparency and credibility in the eyes of market participants. Companies that effectively implement IT in their financial systems can provide more timely, accurate, and accessible financial information. This improved quality of reporting fosters greater investor confidence and can contribute to higher levels of investment interest and stock price performance. In the context of LQ45 firms, leveraging IT is not merely a technical upgrade, it is a strategic move to support informed decision-making and long-term value creation in the capital market.

The value of a company's shares in the stock market is determined by the share price, which reflects the interest of market participants in buying and selling specific stocks. In the stock market, investors pay close attention to stock prices, especially the closing price. When demand is high, stock prices increase. According to Afifah and Fauziyyah (2023), the closing price is a key factor in determining the value of an investment. High share prices make investors feel secure, encouraging them to invest in the stock market. A company’s value increases when it reaches its highest historical point. Investors acquire shares hoping to profit either through dividends or stock price appreciation. The level of investor interest, determined by demand for different stocks, influences stock prices. IT-based financial reporting platforms can enhance visibility and improve investor sentiment, further contributing to stock price movements.

Signaling theory addresses the negative effects of information asymmetry (Carissa, 2024). Annual financial statements contain crucial information, reporting on management's success in meeting shareholders' expectations and interests, as well as financial and non-financial performance. In this context, IT systems play a vital signaling role by facilitating real-time updates, data analytics, and automated compliance reporting, allowing investors to access consistent and verified information. These reports provide past, present, and future data, including receivables and capital ratios, that are now often accessible through investor portals and digital reporting applications.

Earnings per share (EPS) can be defined as a company’s profit divided by the number of shares owned by investors (Darmadji and Fakhruddin, 2011). Income is a measure of achievement and is crucial for pricing (Gibson, 1996). EPS remains one of the most significant indicators of company value. In recent years, the role of IT in automating EPS calculation and dissemination through financial analytics tools has added value to investor analysis. A reliable and inexpensive source of financial reporting, technology-supported accounting information is essential for comprehensive investor evaluation. Financial reports that are systematically generated via IT platforms provide consistent and real-time insights into company performance.

The price-to-book value (PBV) ratio compares a company’s market price to its book value (Volanda Aziz, 2012), providing insights into investor expectations. Similarly, net profit margin (NPM) as discussed by David Sukardi and Kurniawan (2010), measures profitability after expenses. IT tools help in analyzing NPM across multiple periods and peer groups, further aiding comparative financial analysis. As a result, IT adoption can enhance the understanding and relevance of these accounting metrics in the context of stock valuation. In conclusion, from 2021 through 2024, this study examines how accounting information, including EPS and PBV along with the integration of Information Technology in accounting systems, influences the stock prices of financial institutions listed on the IDX. The inclusion of IT in accounting practices enhances information transparency, strengthens investor trust, and is increasingly viewed as a strategic factor in capital market dynamics.

2. Theoretical Basis

2.1 Signaling Theory

Signaling theory addresses the issue of information asymmetry, which occurs when one party in a transaction has more or better information than the other. According to Noor (2014), signaling theory highlights how companies can mitigate this asymmetry by providing transparent and reliable information. Annual financial statements are crucial in this regard, as they contain comprehensive data about a company's performance. These reports include details on management's ability to meet shareholder expectations, encompassing both financial and non-financial metrics. Furthermore, financial statements provide historical, current, and forward-looking information about the company's resources, including receivables and capital ratios. By disclosing this information, companies can signal their financial health and operational success to investors, thereby reducing uncertainty and enhancing investor confidence.

2.2. Information Technology

The advent of information technology (IT) has precipitated substantial transformations in contemporary business practices, encompassing corporate accounting systems. Within the domain of accounting, the term "information technology" encompasses the utilization of hardware, software, and network systems to manage, process, and deliver financial information in an efficient and accurate manner (Romney & Steinbart, 2018). IT-Based Accounting Systems facilitate the generation of timely, transparent, and reliable financial reports by companies. IT in accounting encompasses a variety of applications, including Enterprise Resource Planning (ERP), cloud-based accounting systems, XBRL-based financial reporting, and interactive dashboards that enable management and investors to access financial information in real time. The implementation of these systems is imperative for enhancing operational efficiency and the quality of financial information.

2.2. Earnings Per Share (EPS)

Earnings per share (EPS) is a vital financial metric used to gauge a company's profitability on a per-share basis. Defined by Darmadji and Fakhruddin in 2011, EPS is calculated by dividing the net profit by the number of outstanding shares. Study emphasized that EPS is a critical determinant of stock prices, reflecting a company's success. Gibson (1996:429) further underscored that EPS indicates the profit attributed to each share of the company. EPS is calculated by dividing net income by the number of outstanding shares. This measure allows investors to assess a company's profitability and compare it with others, making it a key indicator of financial performance and stock valuation.

2.3. Debt-to-Equity Ratio (DER)

One financial metric is the debt-to-equity ratio (DER), which compares the overall obligations of a company to the equity held by its shareholders. It provides useful details regarding the financial leverage and solvency of the business. The ability of a corporation to pay off its long-term obligations is demonstrated by the Debt-to-Equity Ratio (DER), as stated by Lasari and Darsono (2010). A measure of how much of a company's operations are financed by debt as opposed to money generated internally, the Debt-to-Equity Ratio (DER) is also known as the leverage ratio. The following formula is given by Daniel (2015:865) to explain how DER is calculated, DER is calculated by dividing total liabilities by shareholders' equity. This ratio is crucial for understanding the financial risk associated with a company's capital structure, helping investors and creditors evaluate the potential for default and overall financial health.

2.4. Price-to-Book Value (PBV)

One financial metric that compares the market value of a firm to its book value is the price-to-book value (PBV) ratio. To what extent do investors consider the company's net assets to be

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valuable is shown by this. Divide the stock's market price by its book value, which is found on the balance sheet of the company, to get the ratio. PBV is calculated by dividing the stock price by the difference between total assets and total liabilities. According to Volanda Aziz (2012), a higher PBV indicates that the market places a higher value on the net assets of the company, typically due to expectations of future growth and profitability. Conversely, a lower PBV may suggest undervaluation or potential financial distress. This ratio helps investors identify potentially overvalued or undervalued stocks, aiding in investment decisions.

2.5. Net Profit Margin (NPM)

A measure of profitability, Net Profit Margin (NPM) determines net income as a proportion of revenue. If you want to know how much money a business can make from sales, NPM is the way to go (David Sukardi and Kurniawan 2010:241). Greater efficiency and profitability are indicated by a bigger profit margin, according to Hanafi and Halim (2012:81). As a percentage of sales, net profit margin (NPM) is calculated, NPM is calculated by dividing net profit by total sales. The percentage of income that stays as profit after all expenses are subtracted is shown by this ratio. An essential statistic for investors analyzing a company's financial performance is the NPM. A higher NPM indicates better profitability and operational efficiency.

2.6. Stock Price (Y)

Derived from the forces of supply and demand in the stock market, share price is the market value of a company's stock at any one moment. Hartono (2017) claims that trading activity influences share prices; prices rise when demand surpasses supply and fall when supply surpasses demand. By first subtracting the current price from the price in the prior period then dividing by the price in the previous period, one may determine the change in share price over time. For long-term analysis or academic research purposes, the closing price at the end of the month or year is often used. This approach facilitates period-to-period comparisons and reduces the impact of daily price fluctuations or market noise. Monthly closing prices are also commonly used in calculating monthly stock returns. This calculation helps investors understand the performance of their investments over time, providing a basis for assessing gains or losses in the stock market.

3. Research method

Statistical research focuses primarily on numerical data, encompassing processes from data collection to analysis and presentation. This type of research aims to derive meaningful insights and conclusions through rigorous methods. To enhance the comprehension of research findings, visual aids such as tables, charts, graphs, and images can be particularly useful. These tools help in summarizing complex data and making it more accessible and understandable for the audience.

In this study, both independent and dependent variables were examined. Specifically, the research aimed to assess whether variations in IT, Earnings Per Share (EPS) and Price-to-Book Value (PBV) have a significant impact on stock prices. According to Sugiyono (2012), researchers are often interested in studying populations to draw conclusions about large groups that share specific characteristics. This approach helps in understanding broader trends and patterns that can be generalized to similar groups.

The survey conducted for this study included 45 companies listed in the LQ45 Index on the Indonesia Stock Exchange (IDX) over the period from 2021 to 2024. To ensure the sample was representative of the population and aligned with the research objectives, purposive sampling was employed. This method involves selecting participants based on specific characteristics that are pertinent to the study's goals.

4. Results and discussion

4.1. Classical acceptance test

The purpose of this test is to determine whether the use of multiple regression models produces estimates that are consistent with valid classical estimates. These assumptions include multicollinearity, autocorrelation, and heteroscedasticity.

1. Normality test

Ghozali (2016) uses visual analysis as a way to determine whether the data is following a normal distribution or not based on given parameters. The graph above shows the distribution of data. These data points correspond to the diagonal. Therefore, it can be concluded that the data has successfully passed the regular test.

2. Autocorrelation test

Autocorrelation Test To determine if autocorrelation exists, the Durbin-Watson test is used. To determine whether the regression model has autocorrelation or not, the Durbin-Watson method is used.

Table 1.
Autocorrelation test results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,407[a]	,166	,152	6731,88568	1,797

a. Predictors: (Constant), PBV, EPS, IT

b. Dependent Variable: Stock Price

Source: SPSS data processing, 2025

DW = 1.797. Du value is calculated from the DW table using the equation du = (n – k), where n equals (n – k), 180 – 3 = 177, and the result of du value is 1.7919 amount. According to the results of the regression analysis, the value of the Durbin-Watson (DW) coefficient was 1.797. This value dL = 1.7081 and dU = 1.8005. This shows that the multiple linear regression model shows no evidence of autocorrelation.

3. Multicollinearity test

Taking advantage of the concept of multicollinearity, it is possible to know if there is a relationship between the independent variables included in the regression model. Based on the results of the statistical test, the Variance Inflation Factor (VIF) values for all independent variables were found to be below the critical threshold of 10, indicating no significant multicollinearity among the variables in the regression model. Specifically, the VIF value for the IT variable was 1.127, for EPS was 1.113, and for PBV was 1.022. These results suggest that each independent variable contributes unique information to the model and that their inclusion does not cause multicollinearity problems. Thus, the regression analysis can proceed without the need for corrective measures related to multicollinearity. Based on the results of this research, the proposed regression model used shows no signs of decline. multicollinearity

4. Heteroskedasticity test

Heteroscedasticity test According to Santoso (2004), this technique is used to determine if there is a difference in the difference between the residuals of the regression model for two or more variables. The rest of the plot seems to have a uniform distribution both above and below the zero point. It can be concluded that the plot does not have a U or inverted U pattern, which is a strong indication that a reversal has occurred. The model did not show heteroscedasticity.

4.2 Multiple linear regression analysis

A multiple linear regression analysis is performed. In addition, a multi-line analysis was used in this study. The purpose of this research is to determine the influence of the following on the company's value: earnings per share (EPS), debt to equity ratio (DER), price to book value (PBV) and net profit margin (NPM). According to the conclusions of computer studies, the results obtained through the computer program SPSS are as follows:

Table 2.
Results of retrospective analysis

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-26563,6	5371,257		-4,946	,000
	IT	1179,110	217,884	,395	5,412	,000
	EPS	,019	,064	,021	,288	,774
	PBV	149,887	74,185	,141	2,020	,045

a. Dependent Variable: Stock Price

Source: SPSS data processing, 2025

The influence of the independent variable on the dependent variable is represented by the above equation. In statistical analysis, the term "regression coefficient" refers to the amount of change in a line that corresponds to each unit change in the independent variable while holding all others constant.

1) The constant is represented by the coefficient βo -26563.6 which indicates a constant number. It can be concluded that if all the different values of IT, Earnings Per Share (EPS), and Price Book Value (PBV) are equal to zero or, stock. the price will be -26563.6. There are no independent influencing factors related to stock prices.

2) The statistical analysis shows that the coefficient value for the IT variable is 1179.110, indicating a positive and significant influence of IT on stock price. This means that for every one-unit increase in the IT variable, the stock price is expected to increase by approximately 1179.110 units, assuming other variables remain constant. The positive coefficient suggests that the implementation or enhancement of IT-based systems contributes positively to the market valuation of the company, possibly by improving transparency, efficiency, and decision-making processes that are valued by investors.
3) The coefficient value for the EPS variable is 0.019, which implies a positive relationship between earnings per share (EPS) and stock price. This means that for every one-unit increase in EPS, the stock price is expected to increase by 0.019 units, assuming all other variables remain constant. Although the coefficient is relatively small, the positive direction suggests that higher earnings per share tend to be associated with higher stock prices, reflecting investor confidence in the company's profitability and financial performance.
4) The coefficient value for the PBV (Price to Book Value) variable is 149.887, indicating a positive and substantial effect on stock price. This suggests that for every one-unit increase in PBV, the stock price is expected to rise by approximately 149.887 units, assuming other variables are held constant. The positive coefficient reflects that a higher PBV, which often signals strong market confidence and favorable growth prospects, is associated with a higher valuation of the company's stock in the market.

4.3. Hypothesis test (t test)

Use a t-test to test the primary hypothesis. The t-test is used to test the primary hypothesis. T-test is used to determine how IT, Earning Per Share (EPS), Price Book Value (PBV) are related to stocks. Price (Y) or the threshold value is set to 0.05. To test a little of the description of each type, do the following:

1. The hypothesis testing results indicate that the IT variable has a significant influence on stock price, as evidenced by a t-value of 5.412 and a significance level (p-value) of 0.000. Since the p-value is less than the commonly accepted threshold of 0.05, the null hypothesis (which states that IT has no effect on stock price) is rejected. This means that the influence of IT on stock price is statistically significant. The high t-value further reinforces the strength of the relationship, suggesting that improvements or investments in IT-based systems are likely to have a meaningful and measurable impact on the company's stock valuation.
2. The findings of the hypothesis test indicate that Earnings Per Share (EPS) does not significantly affect the stock price, as reflected by a t-statistic of 0.288 and a significance value of 0.774. Given that the p-value is far above the conventional significance level of 0.05, we fail to reject the null hypothesis, meaning there is no statistically significant relationship between EPS and stock price in this case. The very low t-statistic also suggests that EPS has a weak explanatory power regarding stock price fluctuations during the observed period.
3. The results of the hypothesis testing demonstrate that the PBV (Price to Book Value) variable has a significant influence on stock price, as indicated by a t-statistic of 2.020 and a p-value of 0.045. Since the p-value is below the commonly accepted significance level of 0.05, the null hypothesis can be rejected. This indicates that PBV has a statistically significant and positive effect on stock price. In other words, an increase in PBV is likely associated with an increase

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in stock price, suggesting that investors perceive companies with higher PBV as having stronger growth prospects or better financial health.

4.4. Hypothesis test (F test)

The F-test is used to test the second hypothesis. Below is a table of the results of the F-test performed using the SPSS application for Windows, specifically:

Table 3.
F test

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2E+009	3	528678913,3	11,666	,000[a]
	Residual	8E+009	176	45318284,87		
	Total	1E+010	179			

a. Predictors: (Constant), PBV, EPS, IT

b. Dependent Variable: Stock Price

Source: SPSS data processing results in 2025

The resulting significant value is 0.000, which is below the 0.05 significance level. It can be concluded that this model can be accepted in general. This can be seen in the table above.

4.5. Coefficient of multiple determination (R^2)

The results of the statistical analysis show that the correlation coefficient (r) is 0.407, indicating a moderate positive relationship between the independent variables (IT, EPS, and PBV) and the dependent variable (stock price). This means that, overall, as IT, EPS, and PBV increase, the stock price tends to increase as well.

Furthermore, the coefficient of determination (R^2) is 0.166, which means that approximately 16.6% of the variation in stock price can be explained by the combined effect of IT, EPS, and PBV. The remaining 83.4% is influenced by other factors not included in the model. While this R^2 value is relatively low, it still indicates that the model provides some explanatory power regarding the changes in stock price, though there may be additional variables worth considering for a more comprehensive analysis.

4.6. Discussion

1. The impact of Information Technology on stock prices

The findings of this study suggest that the adoption of Information Technology (IT) has a substantial positive impact on the stock prices of companies Index LQ45 listed on the Indonesia Stock Exchange (IDX) during the 2021–2024 period. This finding confirms that in the digital era, non-financial factors such as the quality of technology-based reporting and information systems are increasingly important in investors decision-making processes. Information technology in the context of financial reporting encompasses a variety of aspects, including the utilization of automated accounting systems, digital reporting platforms, and investments in IT infrastructure to support transparency and data accuracy. The integration of technology into accounting processes has been demonstrated to result in a reduction in the time required to produce financial reports, a decrease in error rates, and a significant increase in the accessibility of information to investors.

These enhancements in efficiency and transparency have been shown to engender greater investor confidence in financial disclosures, thereby amplifying their propensity to invest in enterprises perceived as technologically sophisticated and adaptable. This finding aligns with the Efficient Market Hypothesis (EMH), which posits that stock prices reflect all available information, including that obtained through technology-enhanced financial systems. Moreover, the implementation of digital reporting standards, such as XBRL (eXtensible Business Reporting Language), facilitates the capacity of investors to expeditiously and objectively compare financial statements across companies. It has been demonstrated that firms which exhibit a strong commitment to digitalization are regarded as more professional, competitive, and capable of managing operational risks effectively. These factors contribute to higher market valuations.

These findings also support prior research suggesting that the adoption of information technology (IT) in financial systems acts as a positive signal to the market (signaling theory). Investors interpret the implementation of advanced IT systems as an indication of a company's readiness to face industry challenges and regulatory demands, which ultimately shapes their perception of the company's value. The positive impact of information technology (IT) on stock prices underscores the significance of digital transformation in the financial sector, as a strategic effort to enhance firm value and market confidence. Companies that neglect this aspect risk losing informational competitiveness and long-term investor support.

2. The impact of earnings per share (EPS) on stock prices

Another variable that directly impacts stock prices is Earnings Per Share (EPS). However, this study reveals no statistically significant relationship between EPS and stock prices at the 0.05 significance level, as indicated by a p-value of 0.774. In their paper, Darmadji and Fakhruddin defined EPS as the profit divided by the number of shares held by investors. Lukman Dendawijaya's 2005 study also highlighted that income, a critical factor in determining prices, signifies a company's success. Gibson (1996:429) noted that EPS represents the amount of profit per company share. The calculation of EPS involves dividing the net profit by the total number of outstanding shares.

Despite these insights, there are arguments that variations in EPS do not affect stock prices. This study's findings support that the stock price remains unchanged regardless of reported EPS. Consequently, the initial assumption that EPS influences stock prices is debunked, indicating that EPS is not a reliable predictor of stock prices in companies Index LQ45. Even when investors hope to earn returns, companies often choose not to distribute profits as dividends. This decision could be due to financial constraints or lucrative investment opportunities that necessitate retaining profits. Conversely, many shareholders prefer timely dividend payments to avoid future defaults and ensure immediate returns. Therefore, high EPS might not always yield the expected outcomes, making it an unreliable indicator for stock price prediction.

The conclusions of Permatasari et al. (2019), Ari et al. (2021), Estiasih et al. (2021), Sari (2024) contradict these results, as these researchers found a positive relationship between EPS and stock prices. However, this study aligns with Sanjaya (2018), who also found that EPS generally does not affect stock prices. This disparity highlights the complexity of stock price determinants and suggests that other factors may play more significant roles in influencing stock prices within the Index LQ45. Future research should further explore these factors to provide a more comprehensive understanding of stock price dynamics.

3. The influence of price to book value (PBV) on stock prices

The price-to-book value (PBV) is a critical factor that influences stock prices. The change in PBV yields a p-value of 0.000, which is well below the standard significance level of 0.05, indicating the substantial impact of PBV volatility on stock prices. This suggests that fluctuations in PBV significantly affect stock prices.

PBV is an essential metric used to assess a company's performance, also known as the "price-to-book ratio." The book value of a share is determined using pertinent accounting data and PBV figures. This ratio formula derives from the asset value of shares traded on the stock market divided by their book value. Here's an example of how PBV influences a company's stock price: The third hypothesis, which suggests that PBV partially affects stock prices, is supported by empirical data. Investors commonly use PBV to evaluate the relationship between the current market price of an asset and its book value. A high PBV ratio indicates market confidence in a company's future prospects, signaling its potential to generate wealth for shareholders. As confidence in the company's future increases, demand for its stock rises, boosting its market price. The PBV ratio is a critical factor considered by investors when selecting which company to invest in among various options. A higher PBV ratio correlates with increased perceived value of the company's stock, leading to higher stock prices and earnings.

This research supports the findings of previous studies by Dika et al. (2024), which demonstrate that PBV significantly impacts stock prices. The t-value of 9.227 exceeds the required t-value of 1.97705, indicating the statistical significance of this influence. Furthermore, Hana (2018) also shows that PBV has a substantial impact on stock prices.

6. Conclusion

The study reveals that among the variables examined, Information Technology (IT) and Price to Book Value (PBV) have a significant influence on stock prices. IT plays the most dominant role, indicating that the adoption or integration of IT-based systems contributes positively to the market valuation of companies. Likewise, PBV also shows a meaningful relationship, suggesting that companies perceived to have strong financial positions relative to their book value tend to be valued higher in the stock market.

On the other hand, Earnings Per Share (EPS) does not exhibit a significant effect on stock prices in this study. This indicates that, within the context of the observed companies, earnings per share alone may not be a strong determinant of investor perception or stock valuation. Overall, the findings emphasize the strategic importance of technological development and financial ratios like PBV in influencing stock price behavior.

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