

The Impact Of Trading Volume, Leverage, Earning Volatility, Firm Size, And Dividend Yield On Stock Price Volatility

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ABSTRACT

This study aims to analyze the factors that influence stock price volatility in consumer goods industry sector companies listed on the Indonesia Stock Exchange (IDX). These factors include stock trading volume, leverage, earning volatility, company size (firm size), and dividend yield. The study was conducted in the period 2018–2022, using a sample of 35 companies selected through a purposive sampling method based on certain criteria, namely being registered in the consumer goods industry sector since 2016, always publishing annual financial reports, and not conducting a stock split during the study period. This research is included in the quantitative research category because this research uses empirical quantitative approaches to collect, analyze, and present data along with the results of the research. In this study, the researcher uses a research strategy with an associative approach. The results of the study show that stock trading volume, earning volatility, and firm size have a significant positive effect on stock price volatility, which means that the higher the three variables, the higher the stock price volatility. Conversely, leverage has a significant negative effect, where increasing leverage reduces stock price volatility. Meanwhile, dividend yield does not significantly affect stock price volatility. The shares of companies in the consumer goods industry sector have been proven to be able to generate promising profits. The condition of stock price fluctuations in this sector is also relatively flat. This will increase investor confidence in the fundamentals of companies listed in the consumer goods industry sector. This sector also has a fairly high percentage of market capitalization value.

Kata Kunci: *Stock Price Volatility, Stock Trading Volume, Leverage, Earning Volatility, Firm Size, And Dividend Yield.*

1. INTRODUCTION

The end of the pandemic does not mean that people's lifestyles will return to the pre-pandemic era, but rather a new, digital lifestyle. People are used to doing everything online from home, which is considered more practical and efficient. During the Covid-19 pandemic, investment activity in the capital market has increased. The pandemic has not reduced investors' desire to invest in the capital market (Karatriet al., 2021). This is due to people's desire to make a profit from home to meet their daily needs through investment (Tambunan, 2020).

Investment itself can be defined as a commitment to a certain amount of funds or money and other sources of funds, with the hope of making a profit in the future (Hartono, 2022). Investment is also defined as an economic activity that aims to invest capital, either directly or indirectly, with the hope of making a profit from the invested capital (Safryani et al., 2020). Investing is the right choice to achieve significant profits. Real and virtual investments can be made in various ways. Investment in the capital market is an investment that adapts to the times (Paningrum, 2022). Investment in the capital market can be made in various investment products that are riskier, for example financial assets such as stocks both in domestic and foreign capital markets (Hidayat,

2019). Investing in stocks is one investment option that offers high income but also has high risks (Andriani dan Pohan, 2019).

It is also important to consider the consumer goods industry sector as an investment option because this sector has a major impact on the economy and daily life, so discussing stocks in this sector is quite relevant. The consumer goods industry sector initially included a variety of goods used by the public, such as beverages, food, cleaning supplies, apparel, household technology, and many more. As a result, the success of stocks in this industry indicates the strength of the domestic economy and customer demand. In addition, stocks in the consumer goods industry sector can also be a reliable benchmark for knowing consumer feelings. Customers are more likely to spend their money on consumer products if they have confidence in the state of the economy. Conversely, the fall of this industry can indicate a decline in people's purchasing power or economic anxiety.

Many factors can affect stock price volatility in determining stock investment decisions. Researchers will discuss five determinants of stock price volatility. These factors are stock trading volume, leverage, earning volatility, firm size, and dividend yield. Trading volume is a measure of the level of investor demand and supply for a company's shares.

If stock returns increase, trading volume will also increase because investors will be more interested in investing (Hernoyo, 2013). Dividends are part of the profits generated by the business and distributed to investors. The company's ability to pay dividends affects the value of the shares or the value of the company, if the dividends paid to shareholders are higher, then the remaining funds that can be used to develop the business are lower (Reysa et al., 2022).

The development of technology and the advancement of the internet network have made investment possible for all groups. Investors, brokers, and investment managers can gather on the digital investment platform (Darojat et al., 2023). Rapid advances in technology and economics are accompanied by an increase in the number of foreign investors investing in Indonesia, as well as the growth of companies that have just gone public on the Indonesia Stock Exchange (IDX). Data on the number of companies or issuers listed on the Indonesia Stock Exchange is 626 companies (Wardani, 2020). The millennial generation, who tend to want to get something quickly and practically by using online trading facilities, now dominates the investment situation in the capital market. Someone who carries out trading activities is called a trader, one of the actors in the investment world who buys and sells investment instruments through the capital market with and what distinguishes it from an investor is the time period (Membaka, 2023).

2. THEORETICAL BACKGROUND

Stock price volatility refers to fluctuations or changes in stock prices over time (Warsito, 2020). This reflects the level of uncertainty or significant price movements over a certain period of time. Stock price volatility is measured by looking at daily or periodic price variations or changes.

Financial reports are a structured picture of various financial conditions and financial performance of a company (Pemayun tari et al., 2024).

Stock trading volume is important for an investor because it affects the company's stock price, because for investors, stock trading volume describes the condition of the securities traded on the capital market which can have an impact on stock prices (Iswanti and Susandini, 2021).

Leverage is a source of funds used by companies from investors to carry out the company's operational activities (Nazir, 2022).

Earning volatility refers to significant fluctuations or changes in the income of a business entity from period to period (Bryan and Mason, 2020).

According to Penrose (1959), company size reflects the complexity and capacity of the company to manage available resources and opportunities. In a financial context, firm size can have significant implications for investment risk and return.

According to Graham and Dodd (1934), Dividend Yield provides an overview of how much cash income investors get from investments in the form of dividends.

3. METHODS

This research belongs to the category of quantitative research, because this research uses empirical quantitative approaches to collect, analyze, and present data and research results. In this study, researchers used a research strategy with an associative approach. According to Ramdhan (2021), associative research is research with the aim of knowing the relationship between two or more variables such as looking for roles, influences and causal relationships between independent variables and dependent variables.

Selection of an appropriate and representative sample is essential in stock research. This allows the researcher to generalize the findings from that sample to the population as a whole with the relevant level of confidence. In addition, it is also important to note the limitations and resources available in determining an adequate sample size for research. In this study, the sample determination used purposive sampling method. The sampling criteria in this study are as follows:

- a. The companies used as samples are companies whose shares are included in the consumer goods industry sector listed on the Indonesia Stock Exchange no later than 2016.
- b. Companies that are sampled are companies that consistently publish annual financial reports for the period 2016 - 2022.
- c. The companies sampled were companies that did not conduct a stock split during the research period. Stock split is a split of the number of shares into a larger number of shares using a proportionally lower nominal value per share. Companies that do stock splits are excluded from the sample because the company's stock price will decrease drastically and cause extreme volatility.

The variables used in this study are stated in the following table which contains definitions, indicators, and measurement scales.

Table 1. Research framework

Variable	Indicator	Scale
Stock price volatility	$\sigma = \sqrt{\frac{\sum (PRICE_{it} - \overline{PRICE})^2}{N}}$	Ratio
Stock trading volume	$TVA_{i,t} = \frac{\sum Tradeable\ Shares}{\sum Listed\ Share}$	Ratio
Leverage	$Debt\ to\ Equity\ Ratio = \frac{Total\ debt}{Total\ Equity}$	Ratio
Earning volatility	$\sigma = \sqrt{\frac{\sum (ROA_{it} - \overline{ROA})^2}{N}}$	Ratio
Firm size	$Firm\ Size = Ln(Total\ Assets)$	Ratio
Dividend yield	$DY = \left(\frac{Dividend\ per\ share}{Price\ per\ share} \right)$	Ratio

Source: Data processed 2024

4. RESULT and DISCUSSION

4.1. Result

The basic information from a research data set can be summarized and explained using descriptive statistical analysis. Providing a clear picture of the distribution, central tendency, and dispersion or diversity of the data is the main goal of this research. Measurement of data centering is one of the main elements of descriptive analysis. It consists of: mode

(most frequently occurring value), median (middle value), and mean (average). The descriptive statistics table contains the results of observations from companies listed on the Indonesia Stock Exchange (IDX) in the consumer goods industry sector for the period 2018 - 2022 which became the research sample. Observations were made 175 times, consisting of 35 companies, then an overview analysis of the research variables was produced with the following detailed explanations.

Table 2. Descriptive Statistics

	VHS	VPS	DY	EV	FS (Rp Milyar)	LVG
Mean	956.4008	0.802741	0.152732	0.0390	14,289.310	0.830
Maximum	21980.22	33.03776	14.92063	0.4843	180,433.30	3.824
Minimum	5.530220	3.33E-06	0.000000	0.0009	100,382.98	0.121
Std. Dev.	2612.996	3.472891	1.163119	0.0645	31,312.704	0.689
Jarque-Bera	10113.44	20182.66	162744.2	6479.8	202.1678	208.9
Probability	0.000000	0.000000	0.000000	0.0000	0.000000	0.000
Observations	175	175	175	175	175	175

Source: www.idx.com (Data processed 2024)

a. Stock price volatility

The results of descriptive statistical calculations show that the minimum value of the stock price volatility variable is 5,5302 and the maximum value is 21,980.22, which means that the volatility of stock prices in this sector ranges from 5,5302 to 21,980.22. The average value of stock price volatility is 956.4008 with a standard deviation of 2,612.669. The average value that is smaller than the standard deviation value indicates that the distribution of stock price volatility values is not good. The highest stock price volatility occurred at PT Gudang Garam Tbk, which amounted to 21,980.22, while the lowest stock price volatility occurred at PT Sekar Laut Tbk, which amounted to 5.5302.

b. Stock trading volume

The results of descriptive statistical calculations show that the minimum value of the stock trading volume variable is 3.33 and the maximum value is 33.04, which means that the stock trading volume is 3.33 times the number of shares outstanding at the minimum value and 33.04 times the number of shares outstanding at the maximum value. The average value of stock trading volume is 0.80 with a standard deviation of 3.47. The average value that is smaller than the standard deviation value indicates that the distribution of stock trading volume values is not good. The highest stock trading volume occurred at PT Sekar Bumi Tbk in 2020, while the lowest stock trading volume occurred at PT Sekar Laut Tbk in 2019.

c. Leverage

The results of descriptive statistical calculations show that the minimum value of the leverage variable projected using the debt-to-equity ratio (DER) formula is 0.12 and the maximum value is 3.82, which means that the leverage in this sector ranges from 0.12 to 3.82. The average leverage value is 0.83 with a standard deviation of 0.69. The average value that is greater than the standard deviation value indicates that the distribution of leverage values is good. The highest leverage calculation results occurred at PT Pyridam Farma Tbk in 2021, while the lowest leverage calculation results occurred at PT Campina Ice Cream Industry Tbk in 2021.

d. Earning Volatility

The results of descriptive statistical calculations show that the minimum value of the earning volatility variable is 0.0009 (0.09%) and the maximum value is 0.4843 (48.43%), which means that earning volatility in this sector ranges from 0.09% to 48.43%. The average earning volatility value is 0.0391 (3.91%) with a standard deviation of 0.0646 (6.46%). The average value that is smaller than the standard deviation value indicates that the

distribution of earning volatility values is not good. The highest earnings volatility occurred at PT Merck Tbk in 2020, while the lowest earnings volatility occurred at PT Kalbe Farma Tbk in 2021.

e. Firm Size

The results of descriptive statistical calculations show that the minimum value of the firm size variable or company size is IDR 100,382,982,900 and the maximum value is IDR 180,433,300,000,000 which means that the firm size in this sector ranges from IDR 100,382.98 billion to IDR 180,433.30 billion. The average firm size value is IDR 14,289,310,594,368 with a standard deviation of IDR 31,312,704,434,144. The average value that is smaller than the standard deviation value indicates that the distribution of firm size values is not good. For data purposes, the firm size is transformed using the logarithm of natural (Ln). The highest firm size value occurred at PT Indofood Sukses Makmur Tbk in 2022, while the lowest firm size value occurred at PT Goodyear Indonesia Tbk in 2020.

f. Dividend Yield

The results of descriptive statistical calculations show that the minimum value of the dividend yield variable is 0.00 and the maximum value is 14.92, which means that the dividend yield in this sector ranges from 0.00 to 14.92. The average dividend yield value is 0.15 with a standard deviation of 1.16. The average value that is smaller than the standard deviation value indicates that the distribution of the dividend yield value is not good. The highest dividend yield value occurred in PT Merck Tbk in 2018, while the lowest dividend yield value occurred in several companies such as PT Mandom Indonesia Tbk in 2021-2022, PT Martina Berto Tbk in 2018-2022, PT Mustika Ratu Tbk in 2018-2022 and other companies that did not issue dividends.

Table 3. Chow Test

Effects Test	Statistic	d.f. ob.	Pr
Cross-section F	28.83	(34, 135)	0.0000
Cross-section Chi-square	369.5	34	0.0000

Source: www.idx.com (Data processed 2024)

The Chow model selection test is conducted by comparing the Common Effect Model (CEM) with the Fixed Effect Model (FEM) or other models. The conclusion of this test depends on the significance value of the Cross Section Chi Square probability. If the significance value of the Cross Section Chi Square probability is smaller than the significance level (0.05), then the FEM model is considered more

suitable than the CEM model for use in panel data analysis. The Chow test results show that the FEM model is more suitable than the CEM model.

Table 4. Hausman Test

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Pr ob.
Cross-section random	17.267852	5	0.0040

Source: www.idx.com (Data processed 2024)

The Chow model selection test is conducted by comparing the Common Effect Model (CEM) model with the Random Effect Model (REM) model. The Hausman test results show that the cross-section random probability value is 0.0040, which is below 0.05. Based on the Hausman test decision-making criteria, the model chosen is the fixed effect approach or Fixed Effect Model (FEM).

Table 5. Lagrange Multiplier Test

	Cross-section	Test Hypothesis Time	Both
Breusch-Pagan	227.5351 (0.0000)	438 9	228. (0.00)
Honda	15.08427 (0.0000)	1.107898 0	2784 (0.00)
King-Wu	15.08427 (0.0000)	1.107898 0	6015 (0.00)
Standardized Honda	16.12420 (0.0000)	0.893485 2	3425 (0.00)
Standardized King-Wu	16.12420 (0.0000)	0.893485 2	7651 (0.08)
Gourieroux, et al.	--	--	227. (0.00)

Source: www.idx.com (Data processed 2024)

The lagrange multiplier (LM) test is used in the context of panel data regression to choose between Ordinary Least Squares (OLS) or Common Effect without dummy variables and Random Effect. The LM test resulted in a cross-section value of 0.000 (less than 0.05) which means, from the LM test the selected model is the Random Effect Model (REM).

Interpretation of the fixed effect model (FEM) model test in research can be done through several steps. First, the Chow test results can be used to compare the common effect model (CEM) with the fixed effect model (FEM). If the Chow test results show a significance value (Sig.) less than the specified significance level (0.05), then the fixed effect model (FEM) is considered more suitable than the common effect model (CEM) for use in panel data analysis. In addition, the Hausman test results can also be used to confirm the selection between the FEM and REM models. The Hausman test results show that the FEM model is more suitable, so it can be concluded that the FEM model is more suitable for use in panel data analysis.

Table 6. Multicollinearity Test

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
S	VP 3042.296	6	1.06113 7024
	DY 33550.11	0	1.26726 5657
	EV 11048816	7	1.72883 3524
	FS 5159.962	5	115.349 8022
G	LV 76900.28	6	2.46736 3297

Source: www.idx.com (Data processed 2024)

The results of the multicollinearity test conducted show the VIF results of the stock price volatility variable of 1.007024, dividend yield of 1.245657, earning volatility of 1.263524, firm size of 1.018022, and leverage of 1.003297. Based on these results, the data is considered to have no symptoms of multicollinearity because it meets the requirements, namely the Centered VIF value of no more than 10 (H_0 is accepted).

Table 7. White Heteroscedasticity Test

	F-statistic	Prob.	Chi-squared	Prob.	Chi-squared
	2.0		0.		
	47158	F(20,154)	0080		
	Obs*R-squared	36.	Prob. Chi-squared	0.	
	75458	Square(20)	0125		
	Scaled	612	Prob. Chi-squared	0.	

explained SS .1346 Square(20) 0000

Source: www.idx.com (Data processed 2024)

The heteroscedasticity test technique used, White, shows different results from the Glejser method. In the White test, the probability value of the variable stock trading volume, dividend yield, earning volatility, firm size and leverage is less than 0.05. The conclusion of the White test results is that there are variables that contain heteroscedasticity (H_a is accepted).

Table 8. Autocorrelation Test

	dL	dU	dW	dL < d < dU
43	1.69	1.81	1.76	Tidak terjadi gejala autokorelasi

Source: www.idx.com (Data processed 2024)

Based on the autocorrelation test, it is known that the value of dL = 1.6943, dU = 1.8117 obtained from the Durbin-Watson table with a research sample of 175 samples and 5 independent variables. The dW value is known to be 1.765963 which is obtained from the model test. The conclusion of the test is that there are no autocorrelation symptoms because it meets the criteria (dL < d < dU).

**Panel Regression Analysis Results
Table 9. Multiple Linear Regression**

Vari able	Coeff icient	Std. Error	t-Statistic	Prob
C	-8799.678	681	-12.799	0.000
VPS	11.56080	0.871	13.280	0.000
DY	25.45359	0.359	70.866	0.000
EV	2935.416	0.670	4382.866	0.000
FS	342.9026	0.068	5042.866	0.000
LV	-104.8641	0.681	-154.139	0.000
G	104.8641	681	154.139	0.000

Source: www.idx.com (Data processed 2024)

a. Multiple linear regression

Based on the multiple linear regression test table, the test results of the regression equation can be explained as follows:

$$SPV = -8.799,678 + 11,56080 STV + 25,45359 DY + 2.935,416 EV + 342,9026 FS - 104,8641 LVG + e.$$

The multiple linear regression equation above can be explained through the following interpretation:

1. The value of -8,799.678 is a constant (α) which means that if the variable volume of stock trading (STV), dividend yield (DY), earning volatility (EV), firm size (FS) and leverage (LVG) is zero (0), then the magnitude of the stock price volatility (SPV) variable is - 8,799.678 units.
2. The stock trading volume (VPS) variable has a regression coefficient value (β_1) of 11.56080. This means that every increase in the value of the stock trading volume (VPS) variable and other variables remain (ceteris paribus), the value of stock price volatility (VHS) will increase by 11.56080 units.
3. Dividend yield (DY) variable has a regression coefficient (β_2) of 25.45359. This means that every increase in the value of the dividend yield (DY) variable and other variables remain (ceteris paribus), the value of stock price volatility (VHS) will increase by 25.45359 units.
4. The earning volatility (EV) variable has a regression coefficient (β_3) of 2,935.416. This means that every increase in the value of the earning volatility (EV) variable and other variables remain (ceteris paribus), the value of stock price volatility (VHS) will increase by 2,935.416 units.
5. The Firm Size (FS) variable has a regression coefficient value (β_4) of 342.9026. This means that every increase in the value of the Firm Size (FS) variable and other variables remain (ceteris paribus), the value of Stock Price Volatility (VHS) will increase by 342.9026 units.
6. The leverage variable (LVG) has a regression coefficient value (β_5) of -104.8641. This means that every increase in the value of the leverage variable (LVG) and other variables remain (ceteris paribus), the value of stock price volatility (VHS) will decrease by 104.8641 units.

b. Partial test (t-test)

The effect of each independent variable on the dependent variable is measured through partial tests. The significance levels of 1%, 5%, and 10% indicate how much influence one independent variable has on the dependent variable as a whole (Ghozali, 2011).

1) First hypothesis test

H_{a1} : Stock trading volume has a significant effect on stock price volatility.

The t value is 8.046 and the t table is 1.657, where the t value > t table with a significance level of 0.000 < 0.05. The hypothesis in this study is that H_0 is rejected and H_a is accepted, meaning that partially there is a significant influence between the variable

Stock Trading Volume (X1) on Stock Price Volatility (Y).

2) Second hypothesis test

Ho₂: Leverage has no significant effect on stock price volatility.

The calculated t value is -1.723 and the t table is 1.657, where the calculated t value > t table with a significance level of 0.094 > 0.05. The hypothesis in this study is Ho accepted and Ha rejected, meaning that partially there is no significant influence between the Leverage variable (X2) on Stock Price Volatility (Y).

3) Third hypothesis test

Ha₃: Earning volatility has a significant effect on stock price volatility.

The t value is 5.808 and the t table is 1.657, where the t value > t table with a significance level of 0.000 < 0.05. The hypothesis in this study is that Ho is rejected and Ha is accepted, meaning that partially there is a significant influence between the Earning Volatility variable (X3) on Stock Price Volatility (Y).

4) Fourth hypothesis test

Ha₄: Firm size has a significant effect on stock price volatility.

The t value is 2.898 and the t table is 1.657, where the t value > t table with a significance level of 0.007 < 0.05. The hypothesis in this study is that Ho is rejected and Ha is accepted, meaning that partially there is a significant influence between the Firm Size variable (X4) on Stock Price Volatility (Y).

5) Fifth hypothesis test

Ho₅: Dividend yield has no significant effect on stock price volatility.

The calculated t value is 0.503 and the t table is 1.657, where the calculated t value < t table with a significance level of 0.619 > 0.05. The hypothesis in this study is Ho accepted and Ha rejected, meaning that partially there is no significant influence between the Dividend Yield variable (X5) on Stock Price Volatility (Y).

a. Coefficient of determination (adjusted R²)

The purpose of the coefficient of determination test, often known as the R² test, is to determine the extent to which the independent variable explains the dependent variable. The adjusted R² test prevents bias from adding variables or research samples, so this test is the coefficient of determination for tests conducted with EViews 13. There are two possible values for the coefficient of determination, a small adjusted R² value indicates that the ability of the independent factors to explain the dependent variable is very limited. On the other hand, it can be said that the stronger the model in explaining the variation of the dependent variable, the coefficient of determination will be closer to 1. The results obtained in the adjusted R² test in this study were 0.761. Based on the test results, it can be stated that the influence given by stock trading volume,

leverage, earning volatility, firm size, and dividend yield on stock price volatility is 76.1%. Meanwhile, the remaining 23.9% is influenced by other factors not examined in this study. The adjusted R² test value which is close to 1 proves that the independent variable model can explain the dependent variable well.

4.2. Discussion

The effect of stock trading volume on stock price volatility

Based on the test results, it can be concluded that stock trading volume has a positive and significant effect on the stock price volatility of consumer goods industry sector companies listed on the Indonesia Stock Exchange (IDX) in 2018-2022 with a significance level of 1%. This means that the greater the volume of stock trading, the higher the value of stock price volatility. According to, stock trading volume is the market's response to signals or information provided by the company to investors. Asymmetric information is generated because this knowledge is not evenly distributed. Investors will interpret information differently due to this asymmetric information. The different interpretations of these investors can lead to different investment decisions from each investor, which can have an impact on the supply and demand for shares in the market.

The effect of leverage on stock price volatility

The results of statistical analysis for the leverage variable show an insignificant negative effect on the volatility of the share prices of consumer goods industry sector companies listed on the Indonesia Stock Exchange (IDX) in 2018-2022 with a significance level of 10%. This means that the greater the leverage value, the smaller the level of stock price volatility will be but the effect is small. This shows that an increase in the company's debt ratio will not prevent investors from investing in the business, thus reducing the possibility of stock prices falling dramatically in a short time (volatile). This conclusion can be explained because companies can use debt capital to maximize operational activities, there is little evidence that leverage has an impact on stock price volatility. A firm can increase its productivity when it has a high debt-to-equity value. Therefore, high or low leverage has no effect on stock price volatility.

The effect of earning volatility on stock price volatility

The test data shows that, earning volatility has a positive and significant effect on the stock price volatility of consumer goods industry sector companies listed on the Indonesia Stock Exchange (IDX) in 2018-2022 with a significance level of 1%. This means that the greater the earning volatility, the higher the stock price volatility value will be. The findings of the analysis show that an increase in

earning volatility will cause the company's stock price to fluctuate more. The uncertainty surrounding the company's earnings will directly increase or decrease the company's stock price even though several factors are beyond the company's control, such as interest rates and the political stability of the region where the company operates. If the company is unable to predict the amount of revenue or profit that can be obtained, then this will increase the possibility of the company earning lower profits than the previous year.

The effect of firm size on stock price volatility

Statistical analysis shows that, firm size has a positive and significant effect on the stock price volatility of consumer goods industry sector companies listed on the Indonesia Stock Exchange (IDX) in 2018-2022 with a significance level of 1%. This means that the larger the firm size, the higher the stock price volatility value will be. Through a number of processes, including liquidity, investor portfolio diversification, risk perception, and growth expectations, firm size can have a major impact on stock price volatility. Managerial actions are more likely to be aligned with shareholder interests as firm size increases (Suriawinata and Nurmali, 2022). A larger firm size will have a greater impact on the overall portfolio of investors. As a result, movements in the share price of large companies can have a significant impact on the total value of investors' portfolios, and this can result in stronger reactions from investors to new information or events affecting large companies. This reaction may result in increased stock price volatility.

The effect of dividend yield on stock price volatility

The results of the statistical analysis of the dividend yield variable show that there is no influence either positively or negatively on the volatility of the share prices of consumer goods industry sector companies listed on the Indonesia Stock Exchange (IDX) in 2018-2022 with a significance level of more than 10%. This means that an increase or decrease in dividend yield will not affect the value of stock price volatility. Dividend yields can play an important role in the investor decision-making process, especially for individuals who have lower risk tolerance. However, dividend yields do not have a significant impact on the investment decisions of other investors who are more concerned with capital growth or who have a greater appetite for risk. This is why an increase or decrease in dividend yield does not influence stock price volatility.

5. CLOSING

5.1. Conclusion

Based on the test results and data analysis regarding the effect of stock trading volume,

leverage, earning volatility, firm size, and dividend yield on stock price volatility in companies listed on the Indonesia Stock Exchange (IDX) in the consumer goods industry sector for the period 2018-2022, the following conclusions can be drawn from the research results:

1. Stock trading volume has a positive effect on stock price volatility in consumer goods industry sector companies listed on the Indonesia Stock Exchange (IDX) in 2018-2022. Thus, the more the number of shares traded, the higher the stock price volatility.
2. Leverage hurts stock price volatility in consumer goods industry sector companies listed on the Indonesia Stock Exchange (IDX) in 2018-2022. The greater the ratio between debt and equity of the company, the smaller the level of stock price volatility will be.
3. Earning Volatility has a positive effect on stock price volatility in consumer goods industry sector companies listed on the Indonesia Stock Exchange (IDX) in 2018-2022. The higher the level of volatility of the company's earnings, the higher the volatility of its stock price will be.
4. Firm Size has a positive effect on stock price volatility in consumer goods industry sector companies listed on the Indonesia Stock Exchange (IDX) in 2018-2022. The larger the company size, the higher the stock price volatility will be.
5. Dividend yield has no effect on stock price volatility in consumer goods industry sector companies listed on the Indonesia Stock Exchange (IDX) in 2018-2022. The size of the amount of dividends distributed does not affect stock price volatility.

5.2. Suggestions

Investors need to consider the high and low fluctuations in stock prices in determining investment decisions. Stock trading volume, earning volatility, and firm size need to be considered because these factors have been proven to have a significant influence on stock price volatility in consumer goods industry companies listed on the Indonesia Stock Exchange (IDX). Investors can also apply a timing strategy (buy low, sell high) to obtain greater profits, especially for traders who are more interested in stocks with high volatility. Further research can use additional variables to determine stock price volatility. Variables such as book value per share, order imbalance, demand imbalance, and so on. Researchers with the same interest can develop research by increasing the amount of data and observation period. This will make the results they obtain more in line with the actual situation and be able to explain stock price volatility on the Indonesia Stock Exchange (IDX) better.

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