



**THE DETERMINANT FACTORS OF PUBLIC
LISTED COAL MINING COMPANIES
PROFITABILITY IN INDONESIA STOCK
EXCHANGE**

UNDERGRADUATE THESIS

**Submitted as one of the requirements to
obtain
Sarjana Manajemen (S.M.)**

By: Jason Nicholas Francislaw

014201900130

**FACULTY OF BUSINESS
MANAGEMENT, STUDY PROGRAM CIKARANG**

October, 2022

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The Panel of Examiners declare that the undergraduate thesis entitled **THE DETERMINANT FACTORS OF PUBLIC LISTED COAL MINING COMPANIES PROFITABILITY IN INDONESIA STOCK EXCHANGE**. that was submitted by Jason Nicholas Francislaw majoring in Management from the Faculty of Business was assessed and approved to have passed the Oral Examination on 13th of October 2022

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THE DETERMINANTS FACTORS OF PUBLIC LISTED COAL MINING COMPANIES PROFITABILITY IN INDONESIA STOCK EXCHANGE

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THE DETERMINANT FACTORS OF PUBLIC LISTED COAL MINING COMPANIES PROFITABILITY IN INDONESIA STOCK EXCHANGE By Jason Nicholas Francislaw 014201900130 A Thesis submitted to the School of Business, President University in partial fulfillment of the requirements for the Degree in Management Science October 2022 II ACKNOWLEDGEMENT Completing this thesis were not the easiest thing to do where there is ups and down in writing and researching this study.

Hence, the researcher would like to express his gratitude to the almighty God for helping him through this study and giving him the countless blessing.

Secondly, the researcher would like to deeply express his gratitude to his family, friends and significant other which always being supportive to the researcher to complete this study: 1.

The Researcher Mother, Aurelia Hayati Halim, who always support the researcher through thick and thin and always being the researcher number 1 mentor in both on the researcher career and personal life.

Who also sacrifice a lot in the researcher journey in college, thank you for giving the researcher the opportunity to study at President University and the hard work that the researcher mother given.

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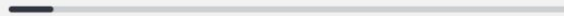
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ABSTRACT

This research will dive deep into the financial performance of coal mining companies that is being publicly listed in Indonesia and discover whether net income have correlation between the financial performance of the companies. In order to analyse the financial performance of the companies, the researcher planned to use few metrics to assess the public listed coal mining companies in Indonesia. The researcher argues that the source of increasing/decreasing net income will come from the key variables namely; currency, coal price, operating expense and debt to equity ratio. The method of this research is quantitative descriptive and which the secondary data will be obtained from 10 public listed coal mining companies in the Indonesia Stock Exchange (IDX) from the period of 2016-2020. The researcher hypothesized that the result of this study will show a significant effect from the independent variables namely: currency, coal price, operating expenses and DER to the dependent variable which is the net income.

Keywords: *Net Income, financial ratio, operating expenses, coal mining companies, IDX*

ACKNOWLEDGEMENT

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1. The Researcher Mother, Aurelia Hayati Halim, who always support the researcher through thick and thin and always being the researcher number 1 mentor in both on the researcher career and personal life. Who also sacrifice a lot in the researcher journey in college, thank you for giving the researcher the opportunity to study at President University and the hard work that the researcher mother given.
2. The Researcher's advisor, Mr. Pandu Adi Cakranegara, SE, M.Sc.Fi, MBA, DBA., for his guidance and support. This research is crafted from his thorough feedback as well as from his great mentorship during the course of this study.
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4. The Researcher's respectable lecturer, Mam Genoveva & Mam Dara who arranged the thesis defense, Ms. Maria Yus Trinity Irsan, S.Si., M.Si who became the panel of examiners and has given this study a final suggestion, Dr. Ika Pratiwi Simbolon, SE., MM. who also became the panel of examiners and given the final feedback for this study.
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Cikarang, Indonesia October 17th, 2022



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APPENDICES

Appendix 1.0 Chow Test Result

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

| Effects Test | Statistic | d.f. | Prob. |
|--------------------------|-------------------|--------|----------|
| Cross-section F | 1.032691402636063 | (9,34) | 0.435020 |
| Cross-section Chi-square | 11.59961638974369 | 9 | 0.236833 |

Source: Eviews 12 result, adjusted by researcher, 2022

Appendix 1.1 Hausman Test Result

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

| Test Summary | Chi-Sq. Statistic | Chi-Sq. d.f. | Prob. |
|----------------------|-------------------|--------------|----------|
| Cross-section random | 3.135190500157651 | 4 | 0.535461 |

Source: Eviews 12 result, adjusted by researcher, 2022

Appendix 1.2 Lagrange Multiplier Result

Lagrange Multiplier Tests for Random Effects

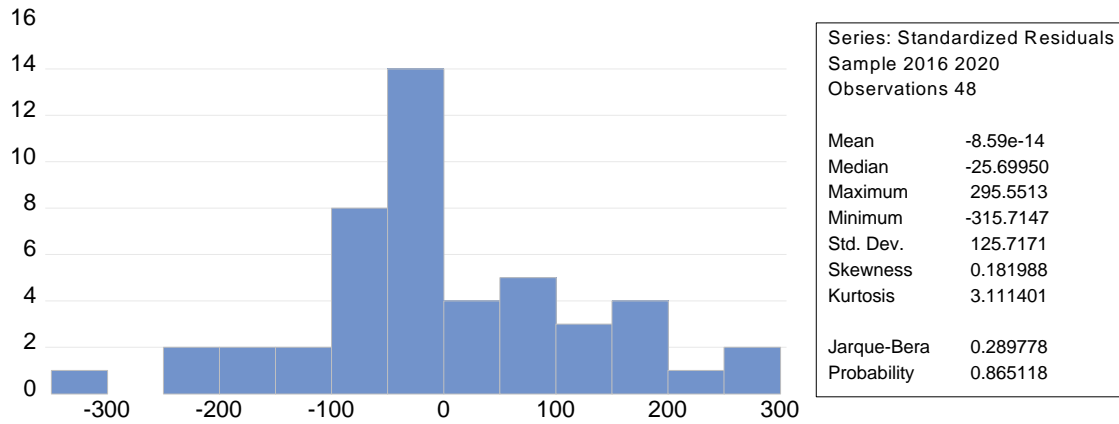
Null hypotheses: No effects

Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided
(all others) alternatives

| | Test Hypothesis | | |
|----------------------|--------------------------|--------------------------|--------------------------|
| | Cross-section | Time | Both |
| Breusch-Pagan | 0.044610722 (0.8327) | 0.018957641 (0.8905) | 0.063568364 (0.8009) |
| Honda | -0.211212506 (0.5836) | -0.137686750 (0.5548) | -0.246709030 (0.5974) |
| King-Wu | -0.211212506 (0.5836) | -0.137686750 (0.5548) | -0.231969351 (0.5917) |
| Standardized Honda | 0.020148433 (0.4920) | 0.688058993 (0.2457) | -3.218562619 (0.9994) |
| Standardized King-Wu | 0.020148433 (0.4920) | 0.688058993 (0.2457) | -3.089822788 (0.9990) |
| Gourieroux, et al. | -- | -- | 0 (1.0000) |

Source: Eviews 12 result, adjusted by researcher, 2022

Appendix 2.0 Normality Test Result



Source: Eviews 12 result, adjusted by researcher, 2022

Appendix 3.0 Descriptive Statistics Full Result

| | Currency | Coal Price | Operating Expenses | DER | Net Income |
|---------------------|----------|------------|--------------------|----------|------------|
| Mean | 13866.13 | 58.85 | 111.08 | 0.80 | 132.75 |
| Median | 13863.00 | 65.00 | 104.00 | 0.40 | 64.00 |
| Maximum | 14469.00 | 76.00 | 264.00 | 4.80 | 500.00 |
| Minimum | 13410.00 | 40.00 | 12.00 | 0.00 | -118.00 |
| Std. Dev | 370.5517 | 13.55994 | 79 | 1.037591 | 157.5568 |
| Skewness | 0.454691 | -0.219183 | 0.351614 | 1.797031 | 0.7328 |
| Kurtosis | 2.068189 | 1.486879 | 1.758694 | 6.293482 | 2.389458 |
| Jarque-Bera | 3.390498 | 4.963399 | 4.070742 | 47.52863 | 5.041489 |
| Probability | 0.183553 | 0.083601 | 0.130632 | 0 | 0.804 |
| Sum | 665574 | 2825 | 5332 | 38.4 | 6372 |
| Sum Sq. Dev. | 6463503 | 8641.979 | 293431.7 | 50.6 | 1166735 |
| Observations | 48.00 | 48.00 | 48.00 | 48.00 | 48.00 |

Source: Eviews 12 result, adjusted by researcher, 2022

Appendix 4.0 Multiple Linear Regression Result

Dependent Variable: NET_INCOME
 Method: Panel Least Squares
 Date: 08/23/22 Time: 17:19
 Sample: 2016 2022
 Periods included: 7
 Cross-sections included: 7
 Total panel (unbalanced) observations: 48

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|--------------------|-------------|-----------------------|-------------|----------|
| C | 961.4331 | 961.2545 | 1.000186 | 0.3228 |
| CURRENCY | -0.079022 | 0.075724 | -1.043559 | 0.3025 |
| COAL_PRICE | 3.347911 | 2.074644 | 1.613728 | 0.1139 |
| OPERATING_EXPENS | 0.921237 | 0.252910 | 3.642540 | 0.0007 |
| DER | -40.41793 | 19.11649 | -2.114297 | 0.0403 |
| R-squared | 0.363388 | Mean dependent var | | 132.7417 |
| Adjusted R-squared | 0.304168 | S.D. dependent var | | 157.5640 |
| S.E. of regression | 131.4345 | Akaike info criterion | | 12.69323 |
| Sum squared resid | 742825.6 | Schwarz criterion | | 12.88814 |
| Log likelihood | -299.6374 | Hannan-Quinn criter. | | 12.76689 |
| F-statistic | 6.136257 | Durbin-Watson stat | | 1.963918 |
| Prob(F-statistic) | 0.000535 | | | |

Source: Eviews 12 result, adjusted by researcher, 2022

Appendix 5.0 Multicollinearity Test Result (VIF)

Variance Inflation Factors
 Date: 08/23/22 Time: 17:27
 Sample: 1 48
 Included observations: 48

| Variable | Coefficient Variance | Uncentered VIF | Centered VIF |
|-----------------|----------------------|----------------|--------------|
| C | 924010.1 | 2567.436 | NA |
| CURRENCY | 0.005734 | 3065.483 | 2.142098 |
| COAL_PRICE | 4.304147 | 43.57836 | 2.153187 |
| OPERATING_EXPEN | 0.063964 | 3.279560 | 1.086481 |
| DER | 365.4401 | 1.720264 | 1.070405 |

Source: Eviews 12 result, adjusted by researcher, 2022

Appendix 6.0 Raw Data

| NO | YEAR | Y | X1 | X2 | X3 | X4 |
|----|------|-----|----------|------------|-------------------|-----|
| | | NI | Currency | Coal Price | Operating Expense | DER |
| 1 | 2016 | 13 | 13,410 | 40 | 36 | 0.0 |
| 2 | 2017 | 50 | 13,556 | 65 | 50 | 3.2 |
| 3 | 2018 | 32 | 14,469 | 76 | 50 | 0.0 |
| 4 | 2019 | 21 | 13,863 | 46 | 52 | 2.5 |
| 5 | 2020 | 40 | 13,956 | 66 | 127 | 0.1 |
| 6 | 2016 | 149 | 13,410 | 40 | 146 | 0.2 |
| 7 | 2017 | 330 | 13,556 | 65 | 198 | 0.1 |
| 8 | 2018 | 348 | 14,469 | 76 | 171 | 0.1 |
| 9 | 2019 | 293 | 13,863 | 46 | 202 | 0.0 |
| 10 | 2020 | 171 | 13,956 | 66 | 165 | 0.1 |
| 11 | 2016 | 131 | 13,410 | 40 | 147 | 0.0 |
| 12 | 2017 | 253 | 13,556 | 65 | 163 | 0.0 |
| 13 | 2018 | 262 | 14,469 | 76 | 221 | 0.0 |
| 14 | 2019 | 129 | 13,863 | 46 | 144 | 0.0 |
| 15 | 2020 | 147 | 13,956 | 66 | 208 | 0.4 |
| 16 | 2016 | 335 | 13,410 | 40 | 183 | 0.4 |
| 17 | 2017 | 483 | 13,556 | 65 | 175 | 0.3 |
| 18 | 2018 | -51 | 14,469 | 76 | 17 | 0.7 |
| 19 | 2019 | 19 | 13,863 | 46 | 44 | 0.0 |
| 20 | 2020 | -23 | 13,956 | 66 | 32 | 2.2 |
| 21 | 2016 | 37 | 13,410 | 40 | 38 | 4.8 |
| 22 | 2017 | 45 | 13,556 | 65 | 40 | 0.0 |
| 23 | 2018 | 418 | 14,469 | 76 | 190 | 0.3 |
| 24 | 2019 | 404 | 13,863 | 46 | 264 | 0.5 |

| | | | | | | |
|-----------|------|----------|--------|----|-----|-----|
| 25 | 2020 | 329 | 13,956 | 66 | 12 | 0.5 |
| 26 | 2016 | -68 | 13,410 | 40 | 156 | 1.1 |
| 27 | 2017 | 335 | 13,556 | 65 | 102 | 1.3 |
| 28 | 2018 | 76 | 14,469 | 76 | 49 | 2.7 |
| 29 | 2019 | -18 | 13,863 | 46 | 264 | 1.5 |
| 30 | 2020 | - 118 | 13,956 | 66 | 216 | 2.0 |
| 31 | 2016 | 3 | 13,410 | 40 | 23 | 0.4 |
| 32 | 2017 | 21 | 13,556 | 65 | 30 | 0.6 |
| 33 | 2018 | 500 | 14,469 | 76 | 152 | 0.2 |
| 34 | 2019 | 293 | 13,863 | 46 | 202 | 0.0 |
| 35 | 2020 | 25 | 13,956 | 66 | 21 | 1.3 |
| 36 | 2016 | 29 | 13,410 | 40 | 137 | 2.6 |
| 37 | 2017 | 320 | 13,556 | 65 | 106 | 0.2 |
| 38 | 2018 | 38 | 14,469 | 76 | 38 | 0.8 |
| 39 | 2019 | 223 | 13,863 | 46 | 173 | 0.6 |
| 40 | 2020 | 59 | 13,956 | 66 | 37 | 0.5 |
| 41 | 2017 | 83 | 13,556 | 65 | 59 | 0.0 |
| 42 | 2018 | 69 | 14,469 | 76 | 65 | 0.2 |
| 43 | 2019 | 0 | 13,863 | 46 | 27 | 1.5 |
| 44 | 2020 | -28 | 13,956 | 66 | 16 | 1.9 |
| 45 | 2016 | 27 | 13,410 | 40 | 40 | 0.2 |
| 46 | 2018 | 80 | 14,469 | 76 | 263 | 1.3 |
| 47 | 2019 | 27 | 13,863 | 46 | 22 | 1.0 |
| 48 | 2020 | 31 | 13,956 | 66 | 59 | 0.1 |

Source: Capital IQ & Indonesia Stock Exchange