Comparisonal Analysis of Return and Risk Sharia Stock with Conventional Stock in Indonesia Year 2013-2019

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Abstract: *This study aims to find the comparison of return and risk sharia stocks and conventional stocks. This study is comparative research with a qualitative approach. The entire company is listed in sharia stock Jakarta Islamic Index (JII) and LQ45 conventional stock in Indonesia Stock Exchange (IDX) with the sampling technique using purposive sampling . The data analysis technique used paired t-test . The result of this study illustrates that there is no significant difference between the return of sharia stock Jakarta Islamic Index (JII) and the return of LQ45 conventional stock for 2013-2019. Meanwhile, the result of the comparison between the risk of sharia stock Jakarta Islamic Index (JII) and the risk of LQ45 conventional stock for 2013-2019 experienced a significant difference, It can be seen from the difference in the mean risk of sharia stock Jakarta Islamic Index (JII) and risk of LQ45 conventional stock for 2013-2019. So, the risk of LQ45 conventional stock is higher than the risk of sharia stock Jakarta Islamic Index (JII)*
Keywords: *Return Comparison, Conventional Stocks.*

Introduction

In line with the increase in *investment stock* in Indonesia, the Indonesian capital market has also experienced changes. In the beginning, there was only one type of capital market in Indonesia, namely the *conventional capital market* , along with the development of the Islamic economic system which was getting better, it became the justification for the rise of *sharia stock instruments* in the Indonesian capital market. The *sharia* capital market in Indonesia began with the introduction of sharia mutual funds pioneered by the Investment Management Mutual Fund on July 3, 1997, this is the reason why the Indonesia Stock Exchange launched the Jakarta Islamic Index (JII) on July 3, 2000 to provide investors with choices. who want to invest in sharia (www.syariah.ojk.go.id).

The two types of capital articles both have differences. Articles of conventional capital listed on the IDX (Indonesian Stock Exchange) must comply with the legal principles set by the IDX, while the *sharia capital market,* apart from being halal, must also follow the prerequisites as a *sharia capital market in* accordance with the provisions of the rules made by the Sharia Council fatwa. Indonesian National No. 40/DSN-MUI/X/2003, in *public offer activities* , *trading stock* (stock trading) and the various *stocks* traded must comply with sharia rules (Sholihah, 2017).

Sharia stock investment nor *conventional* is expected to be able to contribute to a good profit in the future, because the investment made in the long term is a good investment. To get a good profit in investing, of course, you must be able to analyze the movement of stock prices or indexes . An index is needed to see indicators of stock price movements.

IDX has several indices, one of which is the LQ45 *(Liquid 45) index.* and JII *(Jakarta Islamic Index)* (Hartono, 2015) . JII is a *sharia stock* index which was published on the Indonesian capital market for the first time in 2000 . Elements in the *Jakarta Islamic Index* (JII) which are listed on the Indonesia Stock Exchange (IDX) consists of 30 *sharia stocks* which have a large market capitalization and are the most liquid, as is the case with ISSI, when reviewing *sharia stock* which is

an element of JII , it is carried out twice a year, namely in May and November, following the review schedule by OJK (Otoritas Jasa Finance) to DES (Sharia Securities List).

The LQ45 stock index was first issued in February 1997 . The LQ45 index is stock index consisting of 45 issuers that have passed a series of selection processes with high liquidity (*Liquid) and* several characteristics other selection . Such characteristics include market investment considerations . These 45 issuers held every 6 months (early February and August). Therefore, the listed *stocks will always change/ not permanent.*

In investing in *stocks* , there are two important things that investors should know before investing. That is, one must know the rate of *return* (profit), two must know the level of *risk* (risk) (Prasetyo, 2018) . *Return* is the result obtained from investing (Zein *et al* ., 2019) . The *risk* is the amount of deviation obtained from the investment. The higher the profit we get, the higher the risk we will get. According to opinion (Albaity & Ahmad, 2008) . Risk can be minimized by diversifying (business diversity) . diversification can only minimize unsystematic risks (orders) such as business risks etc. While the risks that cannot be minimized are the risk of purchasing power and market risk (Khasanah & Worokinasih, 2018) .

1. LITERATURE REVIEW

a. Signal Theory (*Signaling Theory*)

Signal theory according to Connelly *et al* ., (2011) is a theory that affects two parties, especially internal/internal parties, for example the inside party has a role as a signal/signal party and an external/external party has a role as a party receiving information. or signal. Management seeks to provide applicable and appropriate data to be used by funders (investors) in making choices according to the understanding given by management.

b. Stock (*Sharia Stock)*

Sharia Stock is a certificate of ownership of a company issued by an issuer whose management and business activities do not differ in understanding with sharia principles. (Soemitra, 2009) .

c. Conventional Stock *(Conventional Stock)*

Conventional Stock is a proof of ownership of a company that makes a public offering in a certain nominal or percentage (Samsul, 2006) .

d. Stock *Return*

According to Samsul, (2006) return is a profit issued as a percentage of the initial capital *investment* . *Investment income* in *stock* is the *profit* obtained from the sale and purchase of *stock* , where if the *profit* is called *capital gain* and if it is *loss it* is called *capital loss* . The *return* formula is (Hartono, 2015) .

$$Rit = \frac{(Pt - Pt\text{-}1) + D}{Pt\text{-}1}$$

Information:

Rit = *Return* (%)
Pt = stock price i in month t
Pt-1 = stock price i in 1 month before month t
D = Dividend

e. Stock *Risk*

Risk (risk) in a broad sense is the potential for unwanted events to occur but occur. The danger that appears in buying shares is the danger of falling costs *(capital loss)* and the danger of taking over (liquidation) to the company that issued the *stocks* . (Widoatmodjo, 2004) .
The formula for finding risk using historical data is (Hartono, 2015) .

$$SD = \frac{\sqrt{\sum_{i=1}^{n}[Xi - E(Xi)]^2}}{N\text{-}1}$$

Information:
SD = Standard Deviation
Xi = Value to i
E(Xi) = Expected value
N = The number of historical data observations for a large sample with n (minimum 30) and for a small sample using n-1 .

Hypothesis Formulation

Return* and *Risk

In doing speculation (investment), an investor will expect a certain profit as a *trade-off* to face risk. As a rule, the profit earned on shares is the addition of capital, which is the ratio between the cost of selling and the price tag of the profits disseminated by the company. The rate of profit is one of the driving components in contributing. A negative profit indicates that the business has experienced a loss, while a positive profit indicates that it has experienced a profit (Lestari, 2013) .

Risk (risk) in a broad sense is the potential for unwanted events to occur but occur. The danger that appears in buying shares is the danger of falling costs *(capital loss)* and the danger of taking over (liquidation) to the company that issued the *stocks* . (Widoatmodjo, 2004) . Any investment action that expects a profit will inevitably lead to potential risks. For example, if the target investment returns are not as expected, losses will inevitably arise. That's called risk.

The research studied by Kasanah and Worokinasih (2018) states that there is no difference between the *return* and *risk stock* of JII and IDX30. The research researched by Rizqon (2018) states that there is a difference between the return of *sharia stock* and *conventional stock* . A similar study researched by Rukmini and Nugraha (2019) stated that there was no difference between *return* and *risk stock* JII and LQ45 . Similar research was researched by Cahyani and Fajar (2020) there is no difference between *return* and *risk* of JII and LQ45 stocks .

Based on the description above, a hypothesis can be formulated :

H1 : There is a difference between *return sharia stock* JII with *conventional stock* LQ45 for the period 2013-2019.

H2 : There is a difference between *risk sharia stock* JII with *conventional stock* LQ45 for the period 2013-2019.

2. RESEARCH METHODS

The type of research used in this research is comparative analysis *or comparative* analysis with the approach *(approach)* quantitative . The analysis in this research uses the calculation of the *return*

and *risk* of JII and LQ45 stocks obtained from the IDX official *website* https://www.idx.co.id and https://finance.yahoo.com by using the *purposive sampling method* as for the following criteria: :

a) Companies whose shares are listed in the JII *stock index and LQ45 stock* index for the 2013-2019 period.
b) The company is not in the two *stock indexes* , namely the JII *stock index and the LQ45 stock* index for the 2013-2019 period.
c) The company *continues to be* included in the *JII stock* index and the LQ45 *stock* index for the 2013-2019 period.

So that a sample of 12 companies is obtained from each stock, then from the 12 samples of the company is multiplied by 7 so that a total of 84 samples are obtained from each JII *stock index and* LQ45 *stock index*.

Table 1
Sharia* index sample data JII *stock

No	Stock code	Company name
1	ADRO	Adaro Energy Tbk.
2	AKRA	AKR Corporindo Tbk.
3	ASII	Astra International Tbk.
4	BSDE	Bumi Serpong Damai Tbk.
5	ICBP	Indofood CBP Sukses Makmur Tbk
6	INDF	Indofood Sukses Makmur Tbk.
7	KLBF	Kalbe Farma Tbk.
8	PGAS	Perusahaan Gas Negara (Persero) Tbk.
9	TLKM	Telekomunikasi Indonesia (Persero) Tbk.
10	UNTR	United Tractors Tbk.
11	UNVR	Unilever Indonesia Tbk.
12	WIKA	Wijaya Karya (Persero) Tbk.

Source: Data processed by researchers (2021)

Table 2
LQ45 . *conventional stock* index sample data

No	Stock code	Company name
1	BBCA	Bank Central Asia Tbk.
2	BBNI	Bank Negara Indonesia (Persero) Tbk.
3	BBRI	Bank Rakyat Indonesia (Persero) Tbk
4	BBTN	State Savings Bank (Persero) Tbk.
5	BMRI	Bank Mandiri (Persero) Tbk.
6	GGRM	Gudang Garam Tbk.
7	INCO	Vale Indonesia Tbk
8	INTP	Indocement Tunggal Prakarsa Tbk.
9	JSMR	Jasa Marga (Persero) Tbk.
10	MNCN	Media Nusantara Citra Tbk.

11	PTBA	Bukit Asam Coal Mine Tbk
12	SMGR	Semen Indonesia (Persero) Tbk.

Source: Data processed by researchers (2021)

Data analysis techniques in this research use:

1. Descriptive Statistics Test

Descriptive statistics are used to read the variables contained in this research. Descriptive statistics provide views or descriptions of research *objects* through sample or population data as outlined in the mean, standard deviation, variance, *maximum, minimum, sum, range* , and so on (Sugiyono, 2015) . Descriptive statistics provide a more accurate and easy-to-understand interpretation of data.

2. Data Normality Test

The data normality test is the *properness* test of the data to be analyzed using parametric statistics or nonparametric statistics. Normality test is used to explain whether the data is running normally or not. In parametric statistics to test the normality of the data using the Kolmogorov-Smirnov rule. The data is said to be running normally if the significance value is greater than 0.05, whereas if the significance value is less than 0.05 then the data is not running normally.

3. Paired *Sample t-test*

Paired *sample t-test* is one unit of the different test of parametric statistical analysis . This test is carried out to find out whether two paired or related samples are different or not between the two related samples. The data used is interval data (quantitative data) with the condition that the data must run normally , if the data does not run normally , the statistical analysis used is a non-parametric difference test. Wilcoxon (https://www.spssindonesia.com).

The basis for taking the provisions is as follows:

a. If the value of *sig* < 0.05 then H0 is rejected, Ha is accepted.
b. If the *sig value* > 0.05 then H0 is accepted or cannot be rejected . Ha is rejected.

3. RESEARCH RESULTS AND DISCUSSION

1. Stats Description f

Table 3
Stats Description f
Descriptive Statistics

	JII sharia shares				
	N	Minimum	Maximum	mean	Std. Deviation
JII *stock returns*	84	-,055202	,108759	,00600634	,024009065
JII *stock risk*	84	,160665	,438925	,27585783	,056553300
LQ45 *stock return*	84	-.070435	,147385	,00925671	,032341262
LQ45 *stock risk*	84	,180051	,764471	,29828337	,080470453
Valid N (listwise)	84				

Source: SPSS data processed by researchers (2021)

Based on Table 3, it is known that the *return* (profit) of Islamic *stocks Jakarta islamic index* (JII) has a minimum value of -.055202 , a maximum value of .108759 , an average value of , 00600634 and the standard deviation value is , 024009065 . While the variable *risk* (risk) *sharia*

stocks Jakarta islamic index (JII) has a minimum value of 160665 , a maximum value of , 438925 , an average value of , 27585783 , and a standard deviation of , 056553300 .

conventional index *return* variable LQ45 *stocks* have a minimum value of -, 070435 . maximum value of , 147385 , average value of , 00925671 and the standard deviation value is , 032341262 . Variable *risk* (risk) *conventional* LQ45 *stocks* have a minimum value of , 180051 , a maximum value of ,764471 , an average value of , 29828337 , and a standard deviation of , 080470453.

2. Normality test

Table 4
Kolmogorov* . Normality Test *Smirnov Test

Variable	Stock Type	N	Monte Carlo Sig. (2-tailed)	Standard	Information
Stock returns	JII	84	0.334	0.05	Normal distribution
	LQ 45	84	0.485 _	0.05	Normal distribution
Stock risk	JII	84	0.378 _	0.05	Normal distribution
	LQ 45	84	0.834	0.05	Normal distribution

Source: SPSS data processed by researchers (2021)

Based on Table 4 , it is explained that the Asymp value. Sig. (2-tailed) in the table is not significant / the data is not normally distributed, therefore the researchers took another alternative, namely by using the *Kolmogorov-Smirnov normality test* the *monte carlo test* is in accordance with the book's instructions explained by Imam Ghozali (Ghozali, 2018) . Based on the data analysis, the value of *Monte Carlo Sig* . (2- *tailed*) variable *return* (profit) *sharia stocks jakarta islamic index* (JII) =,334, and the value of *monte carlo sig* . (2- *tailed*) variable *risk* (risk) *sharia stocks jakarta Islamic index* (JII) =,200. In *conventional stocks* LQ45 the value of *monte carlo sig* . (2- *tailed*) variable *return* (profit) = .485 and the value of the variable *risk* (risk) *conventional stocks* LQ45 value *monte carlo sig* . (2- *tailed*) =,378. This shows all research variables in testing the hypothesis using parametric statistical tools. The difference test for parametric is the *t-test* difference test.

3. *Paired t-test difference* test

1. Different Test of *Return* (profit) *Sharia Stocks* JII and *conventional stocks* LQ45.

Table 5

Paired Samples Test* Beda *Return

Paired Samples Test

		Paired Differences							
		mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper	t	df	Sig. (2-tailed)
Pairs 1	*Return* JII - *Return* LQ45	-,003250365	,038646555	,004216685	-,011637182	,005136452	-,771	83	,443

Source: SPSS data processed by researchers (2021)

Referring based on different test results paired test as presented in Table 3 it is known that the mean (average) value is 0.003250365 and the std value. deviation = , 0 38646555 with a significance result of = ,443. On the basis of decision making or provisions, if the significance value is < 0.05, then H0 is rejected, if the significance value is > 0.05, then H0 is rejected, H1 is accepted. From Table 5 it can be seen that the significance value is .443 which means .443 > 0.05 , which means that H0 is accepted and H1 is rejected. So it can be concluded that there is no difference between *return* JII stocks and *LQ45* stocks . means there is no variation / difference in profit (*return*) *sharia stocks Jakarta Islamic Index* (JII) and conventional *stocks* LQ45 2013-2019.

2. Sharia *Risk* Difference *Test Stock* JII and *conventional stocks* LQ45.

Table 6
Paired Samples Test* Beda *risk
Paired Samples Test

		Paired Differences							
		mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
					Lower	Upper			
Pairs 1	*Risk* JII - *Risk* LQ45	-,022425381	,090770882	,009903915	-,042123870	-,002726892	-2,264	83	,026

Source: SPSS data processed by researchers (2021)

Referring based on different test results paired test as described in Table 3 , it is known that the mean (average) value is , 022425381 and the std value. deviation = , 0 90770882 with a significance result of = 0.026. On the basis of decision making , if the significance value is < 0.05, then H0 is rejected, if the significance value is > 0.05, then H0 is rejected, H1 is accepted. From Table 6 , it can be seen that the significance value is 0.026 , which means 0.026 > 0.05 , which means that H0 is accepted and H2 is rejected. So it can be concluded that there is no difference between *risk* JII stocks and *LQ45* stocks . This means that there is no difference between the risk (*risk*) for *Stocks Jakarta Islamic Index* (JII) and conventional *stocks* LQ45 *2013-2019* risk .

Hypothesis Discussion

1. The difference between the *return of sharia stock* JII and *stock* LQ45 period 2013-2019 .

Regarding the *return* (profit), is there a difference or not between Islamic stocks and *conventional* stocks . From the test data paired t-test on T table 5 with the results sig = ,443> 0.05. So H0 is accepted and H1 is rejected because the sig value is greater than the apha value (error rate). There is no difference between the return (*return*) of JII *stocks and the return (return*) of conventional *stocks* can be seen from the descriptive statistical analysis table in Table 3 with the average value of return (*return*) of JII *stocks* = *,* 00600634 or 0.6% and the value the average *return*

(profit) for LQ45 *stocks* = .00925671 or 0.9%, so the difference in *return* (profit) value is not much different between JII stocks and *LQ45* stocks . There is no difference between the benefits (profits) of JII stocks and *LQ45* stocks because the benefits of *JII and LQ45 stocks* do not fluctuate so that they do not experience much difference, especially if JII and LQ45 sharia stocks are still one unit or part of *stocks in* indo ne sia, this can be seen from the companies listed on *stocks* JII and LQ45, where there are several companies that are both in the stock indexes. And it can also be caused by *external factors* such as market *sentiment* and company mergers, government regulations, currency exchange rate fluctuations and interest rate movements.

2. The difference between JII *'s risk sharia stock and* LQ45 stock for the 2013-2019 period .

Regarding *risk* , is there a difference or not between Islamic stocks and *conventional* stocks . From the t-test data on T table 6 with the results sig = 0.026 <0.05. So H2 is accepted and H0 is rejected because the sig- value is smaller than the apha value (error rate) = 0.05. The difference between the risk (*risk*) of JII *stocks and the risk* (risk) of conventional *stocks* can be seen from the descriptive statistical analysis table in Table 3 with the results of the *mean* risk (*risk*) of JII *stocks* = *,* 27585792 or 27% and the average *return value* (profit) *stocks* LQ45 = , 29828330 or 29%. when the average risk value is combined with the results of the average return (*return*) of JII *stocks* = *,* 00600634 or 0.6% and the average *return* (profit) of LQ45 *stocks* = , 00925671 or 0.9%, then the result This is in accordance with the theory of " high *risk (risk) high return (profit)" even though the results of* the JII and LQ45 different *return* tests (profits) are not different. so it can be concluded that the risk value of LQ45 *stocks* is greater than the risk (risk) of JII *stocks* . This can be caused because the risk (risk) *stocks* JII and LQ45 both tend to experience significant *fluctuations* .

5. CONCLUSION

1. There is no difference between the *return of sharia stock* JII and *conventional stock* LQ45 in terms of its significance test. This happened because the stock returns of JII and LQ45 did not fluctuate , besides that it was caused by *external* factors such as *sentiment* . market and corporate incorporation, government regulation, and interest rate movements . However, there is a difference when viewed from the average value of the LQ45 *stock return* which is higher than the JII *stock return* .
2. There is a significant difference between the *risk of sharia stock* JII and *stock* LQ45, where the average *risk of stock* LQ45 is higher than the *risk* JII *stock* is caused by *risk stock* JII and LQ45 both tend to experience significant fluctuations.

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