Comparison of Performance of Stock and Sharia Stock

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A B S T R A C T

The purpose of this study was to examine the differences in the performance of Islamic stocks with stocks based on the Sharpe and Jensen method for the 2010-2020 period in the Indonesian Capital Market. The research method is using a quantitative approach with the type of comparative research. The data used is secondary data from OJK. The population used in this study is the capitalization of sharia stock performance data compared to stocks, for the 2010-2020 period (monthly data) in the Indonesian Capital Market. Data analysis was carried out using the Sharpe and Jensen method and the Manova test with the help of the SPSS statistical program. The results of this study indicate that the performance of Islamic stocks with stocks has a significant difference and the performance of Islamic stocks is better than stocks based on the Sharpe and Jensen method. This shows that the return on the performance of sharia shares with shares based on the Sharpe and Jensen method that will be received will be relatively different. The implication of this research is that this research can contribute to the general public, both academics, investment players and the general public so that they better understand the performance of capital market investment instruments before they invest.

INTRODUCTION

Indonesia is a country with a large capital market performance in growing the sharia-based and conventional financial industry. Sharia-based and conventional investments in the capital market have the aim of developing finance in Indonesia. For now, especially during the COVID-19 pandemic, sharia-based and conventional investment activities have begun to decline. Before making and producing a decision in investment activities, it is necessary to analyze the performance of investment-based instruments sharia and conventional which can later be seen through the risk and return. It turns out that in an increase, the development of the world economy has also decreased due to COVID-19, including the country of Indonesia. In the first quarter of 2020, the Indonesian state had a record growth of 2.97 percent in the economy. Data on the realization of investment realization in the first quarter (January to March) for 2021 is IDR 219.7 T, or an increase of 4.3% compared to the first quarter of 2020 (BKPM, 2021).

The reason the researcher discusses this research is that he wants to examine the performance of sharia and conventional instruments before and during the covid-19 pandemic, where in the first quarter of 2020, the Indonesian state only has a record growth of 2.97 percent in the economy. Researchers choose Islamic stock products compared to stocks on the grounds

that these products experience high growth pretty good in the last five years. Growth economic activities that occur in this investment activity can be seen from the value of the capitalization (OJK, 2021).

The reason the researcher chooses the Sharpe method is It is the most widely used method for calculating risk-adjusted returns on investments and is often used to compare changes in overall risk-return characteristics when new assets or asset classes are added to a portfolio. The higher the Sharpe Ratio value, the better the performance of an Indonesian Capital Market instrument. And the researcher chose the Jensen method on the grounds that this method does not indicate the same performance in the future. Therefore, this study aims to answer the problem formulation, namely How are the performance differences between Islamic stocks and stocks based on the Sharpe and Jensen method for the 2010-2020 period in the Indonesian Capital Market?. As for the research hypothesis, there are differences in the performance of Islamic stocks with stocks based on the Sharpe and Jensen method for the 2010-2020 period in the Indonesian Capital Market.

LITERATURE REVIEW
Portfolio Performance
The growth of the concept of assessing the performance of a portfolio occurred in the late sixties, which was coined by William Sharpe and Treynor. This concept is based on Capital Market theory. This assessment is known as a composite (risk-adjusted) measure of portfolio performance because it mixes a combination of return and risk in a measurement. The two performance appraisals are:

Sharpe Performance Measure
Assessment of the size of Sharpe's Performance is the method used in distinguishing a portfolio's performance by using the concept of the Capital Market Line or RVAR. This performance index can be measured by the following formula:

$Sp = \frac{Rp - Rf}{\sigma p}$

Information:
-Sp = index of Sharpe's performance.
-Rp = return from portfolio.
-Rf = return free from risk interest rate free from risk.
-σp = total risk derived from the addition of systematic and unsystematic risks.

Jensen Performance Measure
Jensen is an index that is useful in assessing a difference between the actual rate of return obtained by the portfolio and the expected rate of return if the portfolio lies on the capital market line (Tandelilin, 2010) Jensen's performance index can be measured by the following formula:

$J = Rp - [Rf + (Rp - Rf)\beta]$

Information:
- = index of Jensen's performance. J
-Rp = return from portfolio
-Rf = risk-free return, risk-free interest rate.
-β = portfolio beta

Sharia Stock
Stock is a monetary instrument that becomes the company's reference in overcoming capital problems. Sharia-based shares are proof of ownership of companies that are sharia-

compliant and do not have special rights (Muhammad, 2014). The following is the division of the capital of a company, namely the authorized capital, the issued capital, the paid-up capital, and the presence of shares that are still portfolio.

Table 1. Differences between Sharia Shares and Shares

Sharia Stock	Share
Investment in companies with business activities according to Sharia principles	Invest in companies for all business activities
Sharia-compliant transaction mechanism	Conventional transaction mechanism
The principle of profit sharing, buying and selling, and renting	Interest rate tool
Profit orientation for both the world and the hereafter	General profit orientation

Sharia-based shares using mudharabah and musyarakah contracts are stipulated which refer to the approval of the shahibul mal at a certain time. Investors who enter into this agreement can enjoy the benefits that are obtained or not. In modern muamalah fiqh, these shares are part of the mudharabah partnership contract which describes the ownership of a company. A sign of this property is valued the same as the ownership of an asset value in the company. Then the sale of shares is also a joint ownership of company assets.

Empirical Review

Research that supports the performance of sharia shares vs shares is research conducted by Mifrahi (2013) by looking comparison of the performance of sharia shares based on sharia stock screening applicable in Indonesia, Malaysia and a combination of the two. The research results areThere is no difference in the market performance of sharia-based stocks filtered using Indonesian sharia stock screening with sharia-based stocks filtered using sharia stock screening in Malaysia (Mifrahi, 2013). The differences between this study and research from Mifrahi (2013) uses different loci, namely Indonesia and Malaysia, while this study focuses on Indonesia. Research that supports the performance of sharia shares vs shares is research conducted by Muthoharoh (2014) by looking comparison of Islamic stocks with conventional stocks as an investment feasibility analysis for Muslim religious investors. Result there is a significant difference in the performance of sharia-based stocks with conventional-based stocks (Muthoharoh, 2014). Research that supports the performance of sharia shares vs shares is research conducted by Kurniawan (2014) by looking at the comparative analysis of the performance of the Islamic stock index and the performance of the conventional stock index. The results show that the JII index is better than the LQ45 (Kurniawan, 2014). The differences between this study and research from Kurniawan (2014) compares the index, while this study compares the capital market instruments.

METHOD

This study uses a quantitative approach because this study emphasizes testing theories through the assessment of research variables with numbers according to statistical procedures (Sugiyono, 2014). This research is included in the type of comparative research because it compares the performance of Islamic stocks with stocks. In a study there are research variables which are commonly referred to as variables X and Y variables. The independent variable is a variable that is deliberately manipulated with the aim of knowing its intensity or its influence on the independent variable. In this study, the independent variable is Shares versus Sharia Stocks.

The population is an area of generalization which consists of objects and subjects with quality grades carried out by researchers in order to draw conclusions. (Turmudi, 2008) The

population used in this study is the capitalization of sharia stock performance data compared to stocks using the Sharpe, Jensen method for the period 2010-2020 (monthly data) in the Indonesian Capital Market. In this study, non-probability sampling was used because the sample was found in monthly data related to its performance. Non-probability sampling is used in taking a sample that does not provide an opportunity for every element of the existing population. The sample is part of the additional characteristics possessed by the population. The sample in this study is sharia stock performance data compared to stocks, using the Sharpe, Jensen method for the period 2010-2020 (monthly data) in the Indonesian Capital Market. Thus, the final result of the amount of data studied as research samples amounted to 11x12 = 132 samples in each of the independent variables.

A research instrument is a tool or a facility used by a researcher to conduct research. The instruments included in this research are monthly financial reports published by the Financial Services Authority (OJK) and Bank Indonesia. Data is a raw material that needs to be processed so that it can produce information or a description, both quantitative and qualitative data that shows facts. Data sources are divided into 2, namely: (1) primary data; (2) secondary data. In this study, researchers used secondary data sources taken from official websites or websites related to the variables studied. Meanwhile, for the time of data collection, in this study, the researchers used time series data taken in monthly form over a period of 11 years. The data sources used in this study were obtained from data published on the official websites of OJK and Bank Indonesia.

Data collection techniques are techniques or a method used by researchers to collect data in order to test data. The observation technique is carried out in order to explore data or information that is observational as well as systematic recording of the object being studied. Literature study is a research based on library theory which is based on understanding or theory derived from the study of books and so forth (Suharso, 2009). Perform calculations or data processing from secondary data using the Sharpe and Jensen method.

Normality serves to indicate that the existing data is normally or not normally distributed. The multicollinearity test can arise as a result of causality between two or more dependent variables and the fact that two or more explanatory variables are simultaneously influenced by a third variable that is outside the model. Heteroscedasticity test is a test that looks at whether there is an inequality of variance from the residuals of one study with other studies. Multiple regression models that meet the requirements are those that have the same variance from one test residual with the other tests being fixed. Autocorrelation test is a correlation test that occurs between the objects under study where the objects are located sequentially or in a row. This homogeneity test was carried out using the F test (Levene's Test) to determine whether the variance (variance) of the two values was the same or different (Priyatno, 2012).

Hypothesis testing is a temporary answer to a problem that may be considered true and temporary because it requires a proof first. (Hasan, 2012) The Multivariate Analysis of Variance has test statistics that can be used to produce decisions, including:

1) Pillai's Trace. The test statistic is used on the assumption that the homogeneity of the variance-covariance matrix values has not been met. If the significance is less than 0.05 then the decision taken is H0 is rejected and H1 is accepted.

2) Wilk's Lambda. The test statistics were used on more than 2 groups of independent variables and the assumption about the homogeneity of the variance-covariance matrix values was fulfilled. If the significance is less than 0.05 then the decision taken is H0 is rejected and H1 is accepted.

3) Hotelling's Trace. This test statistic was applied to 2 groups of independent variables. If the significance is less than 0.05 then the decision taken is H0 is rejected and H1 is accepted.

4) Roy's Largest Root. The test statistic is used on the assumption that the variance-covariance

homogeneity is satisfied. If the significance is less than 0.05 then the decision taken is H0 is rejected and H1 is accepted.

The Manova test is a generalization of the analysis of variance for situations where there are several independent variables by measuring several dependent variables. Researchers can increase the likelihood of changes produced by different treatments and different interactions, but increase the complexity of the analysis (Sutopo, 2017).

RESULTS AND DISCUSSION
Sharia Stock

Stock is a monetary instrument that becomes the company's reference in overcoming capital problems. Shares are also a sign of fund participation from individuals and companies. (Muhammad, 2014) The following is the division of the capital of a company, namely the authorized capital, the issued capital, the paid-up capital, and the presence of shares that are still portfolio. The principle of Sharia shares is musharaka and mudharabah if offered on a limited basis, there is no difference in shares, there is profit and loss sharing and cannot be liquidated unless it has been liquidated. The following is the result of SPSS processing which shows descriptive data on sharia shares from January 2010 to December 2020, which can be seen in the following table:

Table 2. Description of Islamic stock variables

	N	Minimum	Maximum	Mean	Std. Deviation
Sharia Stock	132	413.00	2376.00	1.0118E3	663.37640

From Table 2, it can be explained that Islamic stocks in the period January 2010 to December 2020 show that the average value is 1.0118E3 with a value of the minimum is in numbers 413.00 and the maximum value is 2376.00 with a standard deviation of 663.37640.

Share

The following data from the SPSS results showing descriptive stock data from January 2010 to December 2020 can be seen in the following table:

Table 3. Description of stock variables

	N	Minimum	Maximum	Mean	Std. Deviation
Share	132	2549.00	6597.00	4.8882E3	98496278

From Table 3, it can be explained that Islamic stocks in the period January 2010 to December 2020 show that the average value is 4.8892E3 with a value of the minimum is in numbers 2549.00 and the maximum value is 6597.00 with a standard deviation of 984,96278.

Sharia Stock Data Analysis VS Stocks
Normality test

Normality testing is carried out to see the variables used are normally distributed or not (Priyatno, 2012). The way to test for normality is the Kolmogorov-Smirnov test, with the following results (see Table 4).

Table 4. Kolmogorov-Smirnov Normality Test

	Unstandardized Residual
asymp. Sig. (2-tailed)	.064

Based on the table *asymp. Sig. (2-tailed)* sig value 0.064 so it can be said that the data used in this study is normally distributed because it has a significance value greater than 0.05.

Homogeneity Test

This homogeneity test was carried out using the F test (Levene's Test) to determine whether the variance (variance) of the two values was the same or different (Priyatno, 2008). Ways to test for homogeneity, with the following results:

Table 5. Homogeneity Test

	Sig.
SHARE	.162
SHARE_SHARIA	.068

Based on the Table 5, value of sig. for shares is 0.162 and sharia shares is 0.068, so H0 is accepted and it can be said that based on the Sharpe and Jensen method for the 2010-2020 period the performance of shares and sharia shares has the same variance.

Classical Assumption Test

In the classical assumption test which includes multicollinearity test, heteroscedasticity test and autocorrelation. Multicollinearity test is used to show whether there is a correlation between the independent variables. The results of the multicollinearity test can be seen as follows (see Table 6).

Table 6. Multicollinearity Test Results

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Share	1,000	1,000
2	Sharia stocks	1,000	1,000

From the results of the multicollinearity test in table 4.23 which was carried out on the research variables, there were no symptoms of multicollinearity. Because it is known that the value of the variance inflation factor (VIF) is 1,000 shares, and sharia shares are 1,000. This shows that the VIF value is less than 10 and the Tolerance Value is above 0.1, so it can be assumed that there is no multicollinearity problem between variables. Heteroscedasticity test is a test to check the occurrence of differences in the variation of the residuals. The results of the heteroscedasticity test are as informed in Table 7.

Table 7. Heteroscedasticity Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.151	.331		.455	.650
share	.497	.079	.482	6.274	1.670
2 Sharia stocks	.597	.067	.615	8.856	1080

This can be seen from the sig value above for stocks having a value of 1.670 >0.05, and Islamic stocks 1080> 0.05. With the results of the Glejser test above, it can be seen that the data

is free from heteroscedasticity symptoms. Thus, it indicates that testing can be carried out to the next stage. Autocorrelation Test. This test is carried out to test whether there is a relationship that occurs between members of the observation that are located in a row. Table 8 informs the autocorrelation test.

Table 8. Autocorrelation Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.720a	.518	.514	462.29530	1.115

From the test results using the Durbin–Watson test above, the Durbin Watson value is 1.115, so it can be concluded that there is no autocorrelation.

Hypothesis Test

Test the hypothesis using Pillai's Trace, Wilks' Lambda, Hotelling's Trace and Roy's Largest Root (Sutopo, 2017) How to test with the following results (see Table 9).

Table 9. Multivariate Test

Effect		Sig.
METHOD	Pillai's Trace	.029
	Wilks' Lambda	.029
	Hotelling's Trace	.029
	Roy's Largest Root	.029

Based on the value of the test results Pillai's Trace of 0.127 indicates the greater the effect of the method, Wilks' Lambda of 0.960 indicates the effect of the method is getting bigger. Hotelling's Trace of 0.128 indicates the method is getting bigger and Roy's Largest Root of 0.128 indicates the method is getting bigger, it can be concluded that there is a significant difference in the performance of Islamic stocks and stocks using the Sharpe and Jensen method (H0=accepted and H1=rejected).

Table 10. Manova Test Pairwise Comparison

Dependent Variable	(I) METHOD	(J) METHOD	Sig.
SHARE	SHARPE	JENSEN	.010
	JENSEN	SHARPE	.010
SHARE_SHARIA	SHARPE	JENSEN	.038
	JENSEN	SHARPE	.038

Based on the results of the Manova test in the table above, it shows that for the stock variable when compared with the Sharpe and Jensen methods there is a significant difference because the sig value. both are smaller than 0.05, which is 0.010. This can be seen from if sig. smaller than the comparison, the better the performance. (Kurniawan, 2014) Partially for the Islamic stock variable when compared with the Sharpe and Jensen methods there is a significant difference because the value of sig. both are smaller than 0.05 which is equal to 0.038. If seen from the results of sig. for shares smaller than sharia shares, it is concluded that the performance of shares is better than sharia shares.

Comparison of Sharia Stock Performance with Shares

The results of the hypothesis test of this study indicate that H0 is accepted and H1 is rejected because the significance value is more than 0.05 so that this study shows that there is a significant difference between the performance of Islamic stocks and stocks and the performance of Islamic stocks is better than stocks. Sharia shares and shares are also a sign of the participation of funds from individuals and companies. In which they are entitled to ownership of the company and company assets. This research is supported by research Muthoharoh and Sutapa (2014) by looking comparison of Islamic stocks with conventional stocks as an investment feasibility analysis for Muslim religious investors. Result here is a significant difference in the performance of sharia-based stocks with conventional-based stocks.

Research that supports the performance of sharia shares vs shares is research conducted by Mifrahi (2013) by looking comparison of the performance of sharia shares based on sharia stock screening applicable in Indonesia, Malaysia and a combination of the two. The research results are. There is no difference in the market performance of sharia-based stocks filtered using Indonesian sharia stock screening with sharia-based stocks filtered using sharia stock screening in Malaysia. Result there is a significant difference in the performance of sharia-based stocks with conventional-based stocks (Mifrahi, 2013). The differences between this study and research from Mifrahi (2013) uses different loci, namely Indonesia and Malaysia, while this study focuses on Indonesia.

This is supported by the theory of Nafik (2009) that there is a difference between the performance of Islamic stocks and stocks. The financial performance of a company will describe better prospects, so that its shares will be in demand by investors and the price can increase. The net profit of a company generates more attention than the profit share in a financial statement. This is because net profit assesses the ability of the business to generate profits and answers the question of how successful the company is in managing its business (Nafik, 2009). Therefore, the results of the hypothesis test of this study indicate that H0 is accepted and H1 is rejected so that the performance of Islamic stocks with stocks using the Sharpe and Jensen methods has a significant difference and the stock performance is better than Islamic stocks based on the Sharpe and Jensen methods. This shows that the return on Islamic stocks and stocks based on the Sharpe and Jensen methods that will be received will be relatively different.

CONCLUSION

By looking at the research that has been discussed regarding the comparison of the performance of Islamic stocks with stocks in the Indonesian Capital Market, the following conclusions can be drawn: The results of this study indicate that the performance of Islamic stocks and stocks has a significant difference and the performance of stocks performs better than Islamic stocks based on the method Sharpe and Jensen method. This is indicated by H0 which is tested and accepted in hypothesis 1. This shows that the return on the performance of sharia shares with shares based on the Sharpe and Jensen method that will be accepted will be relatively different. This research can contribute to the general public, both academics, investment players and the general public so that they better understand the performance of capital market investment instruments before they invest. Specifically for academics who study Investment Management and Capital Markets.

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