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Distribution and Improvement of the Capital Market in Indonesia: A Comparative Study of Risk Management

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Abstract

Purpose: The purpose of this article is to determine whether there are differences in the level of return and risk of the conventional and Islamic capital markets. **Research design, data and methodology:** This study takes data on the Jakarta Islamic Index (JII) and the Liquid-45 (LQ45) stock groups in the 2017 to 2020 period. The research approach used is quantitative research with a type of comparison. The data used secondary data sourced from the closing price of shares on the Indonesia Stock Exchange. The statistical method used to test the hypothesis is a different test or independent sample t-test. **Results:** There is a significant difference between the rate of return and investment risk in JII and LQ-45. The rate of return and risk of investing in LQ-45 is higher than that of JII. **Conclusions:** There is a significant difference in the rate of return on investment in Jakarta Islamic Index (JII) and LQ-45, including conventional stock Liquid-45 (LQ-45) is higher than the rate of return on shares of JII shares. There is a significant difference in the level of investment risk in the Jakarta Islamic Index (JII) and the Liquid-45 (LQ-45), where the risk level for the LQ-45 is higher than that of the JII shares.

Keywords: Distribution, JII Shares, LQ-45 Shares, Risk Management

JEL Classification Code: G2, G210, G23, G230

1. Introduction

The capital market is one of the critical milestones in today's world economy. Many industries and companies use

capital market institutions as a medium to absorb investment and media to strengthen their financial position. The capital market has become the world's financial nerve, the world of

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the modern economy. A modern economy would not be possible without a well-organized capital market.

Stosic-Mihajlovic (2016), "The function of the capital market in the economy of a country is the economic function and the financial function. The capital market in carrying out its economic function, namely the capital market provides facilities or means of bringing together two interested parties. The capital market in carrying out its financial function, namely the capital market, provides the possibility or opportunity for investors to obtain returns or returns from funds that have been distributed according to the characteristics of the chosen investment." An investor, in investing their funds in the capital market, hopes to obtain capital gains, while the issuer or party that needs funds, namely, can obtain funds from the capital market to fund his company's activities.

The existence of the capital market is one of the indicator factors that have a significant influence on the growth and progress of the economy in a country, including Indonesia. This is because the capital market has two functions, namely the economic function and the financial function. Economically, the capital market functions as a forum that brings together parties who have excess funds and those who need funds to channel funds effectively and efficiently. While the capital market has a financial function because the capital market provides the possibility and opportunity to obtain a rate of return (return) for the owner of the funds following the characteristics of the chosen investment.

The capital market in Indonesia is divided into two: the conventional capital market and the Islamic capital market. A traditional capital market is a meeting place between sellers and buyers of long-term financial instruments. Generally, the difference between conventional and Islamic capital markets can be seen in the tools and transaction mechanisms. In contrast, the difference in the value of the Islamic stock index and the value of the conventional stock index lies in the existing criteria and fulfils the basic principles of Syariah.

Investing in the capital market is a suitable type of investment for investors who want an optimal return on their investment. The primary purpose of investors in investing their funds is to get a high rate of return or profit from the investment instrument they choose. Another thing an investor needs to pay attention to, in addition to a high rate of return, is the risk involved.

In investing, investors need to pay attention to whether the selected issuer can provide a return that is in line with expectations or not. Return and risk are two things that cannot be separated and are always a concern in assessing stock performance. In general, investments with a high level of risk have the potential to provide high returns, and vice versa, investments with low risk can give low returns. Therefore, research on the return rate and investment risk in

the conventional and Islamic capital markets needs to be done. This study aims to determine the difference between return and risk in investing in the traditional and Islamic capital markets.

2. Literature Review

The theory that supports this research is the signaling approach. Signal theory explains the importance of companies issuing information to investors as outsiders, both information with good and bad signals.

Good or bad signals can affect the rate of return of a company's shares. The signal theory emphasizes the importance of information that will be issued by the company so that it affects decision-making by investors. Information is considered necessary because the report contains data, notes or descriptions of the company's performance, past, current and future conditions and how the securities market will be (Tandelilin, 2017).

Nia (2020), "The capital market is an alternative choice for companies and other institutions such as the government as a means for investment activities. The capital market is a means of bringing together parties who have excess funds (investors) and those who need funds (issuers)." The capital market can also be interpreted as a market where actors trade securities in the form of stocks or bonds with a maturity of more than one year (Untari & Yasa, 2020)

According to Metwally (1995), there are five functions of the Islamic capital market: a. The community can participate in business activities by obtaining a share of the profits and risks. b. Allows shareholders to sell their shares to get liquidity. c. Enable the company to raise external capital to build and expand its production line. d. Separating the operations of business activities from short-term fluctuations in stock prices is a common feature of conventional capital markets. e. Allows investment in the economy to be determined by the performance of business activities as reflected in stock prices.

From the several functions of the Islamic capital market above, it is known that the existence of the Islamic capital market is beneficial to increasing the economic activities of Muslims and can further improve their welfare. Some of the differences between the capital market and the Islamic capital market. The differences include: 1) Syariah capital market securities traded must be from companies that do not conflict with Syariah's principles in carrying out their company's operational activities. No rules govern the company's operating activities in the ordinary capital market. 2) The legal basis for the Islamic capital market is the Qur'an and Hadith, which is confirmed by the Fatwa of the National Syariah Council (DSN). In contrast, the conventional capital market is the Capital Market Law, namely Law No. 8 of

1995. 3) The implementation of Syariah capital market activities is supervised by the National Syariah Council (DSN), while the conventional capital market is not. 4) Conventional stock price indexes include JCI, LQ45, Kompas 100 etc., and Islamic stock price indexes are JII (Jakarta Islamic Index) and DES (Syariah Stock List).

There are five types of securities traded on the Syariah Capital Market: 1) Syariah shares are proof of ownership of a company that meets the criteria based on the DSN-MUI fatwa and does not include shares with special rights. 2) Syariah bonds are long-term securities based on Syariah principles issued by issuers to Syariah bondholders that require issuers to pay income to Syariah bondholders. 3) Syariah Mutual Fund Collective Investment Contract (KIK) Participation Unit Is a measure that shows the share of interest of each party in the investment portfolio of a Syariah Mutual Fund KIK. 4) Syariah Asset-Backed Securities (KIK

EBA) are securities issued by Syariah EBA collective investment contracts whose portfolio consists of financial assets in the form of claims arising from commercial securities 5) Syariah Commercial Securities are letters of acknowledgement of financing within a certain period following Syariah principles. 6) Other syariah securities (Nurhayati & Wasilah, 2015).

Risk and return are a trade-off that is considered in an investment. The higher return of investment, the higher the risk – low risk, low return; high risk, high return (Nguyen & Nguyen, 2019). Return is divided into two: the actual and expected returns. Risk is the possible difference between the actual return and the expected return. Risk is the amount of deviation between the expected rate of return and the level that is achieved. This method is used to calculate risk, which is the most widely used standard deviation (Nurhayati & Endri, 2020).

2.1. Previous Research

Table 1: Previous Research

No	Researcher	Title	Result	Equality	Difference
1	Daniel et al. (2020)	The cross-section of risk and returns	Excess returns can be fully described with a “factor model” in which the “factors” are the CEPs. CEPs, which is the maximum Sharpe ratio portfolio, is maximally correlated with shocks to the marginal rate of substitution of the representative investor. The returns of the CPs are not, as these portfolios also load on unpriced sources of common variation. CEPs then provide a lens through which we can learn about the economic shocks that matter for the representative investor.	Risk and Return	Time period: 2011-2015 Variable using: Sharpe index value, Islamic index.
2	Abbes (2012)	Risk and return of Islamic and conventional indices	The results show that there is no significant difference in mean between the Islamic and conventional indices except for Italy and Australia. We found an asymmetric relationship between returns and volatility for conventional indices as well as for Islamic indices. This means the presence of leverage effect risk in all markets. Sharpe ratio test reveals that there is no significant difference between Islamic index returns and their conventional counterparts.	Risk and return of Islamic and conventional	Sharpe ratio test reveals that there is no significant difference between Islamic index returns and their conventional counterparts.
3	Hayat & Kraeusl (2011)	Risk and return characteristics of Islamic equity funds	That on average IEFs substantially underperform both their Islamic and conventional benchmarks. This is even before considering management fees. We find that globally invested IEFs have the worst performance, while IEFs invested locally do slightly better. During the recent financial crisis of 2008/09, this underperformance has further increased	Risk and Return on Islamic equity funds	CAPM analysis with weighted coefficients The time period 2011-2013.

Source: All literature

3. Methodology

This study uses a quantitative approach to the type of comparative research. Comparative research aims to compare two or more variables, to get answers or whether there is a comparison of the object being studied. The

population in this study are stocks listed on the JII stock and LQ-45 stocks on the Indonesia Stock Exchange in 2017–2020. The sample in this study is stocks that are active on the Indonesia Stock Exchange, counted as stock indexes listed on JII and LQ-stocks 45 for the last four years, 2017-2020.

Table 2: Sample selection indicators

Variable	Sample Indicator
JII Stock Index	1. Officially registered stock index data on the IDX website
	2. Officially registered shares in JII
	3. Stocks that are still active for the last four years, 2017-2020
	4. Issuers in Syariah shares do not gamble, do not contain usurious financial services and do not carry out stock transactions that contain elements of bribery.
	5. JII shares issued on the IDX are selected based on the high daily stock market transaction value.
Stock Index LQ-45	1. Officially registered stock index data on the IDX website
	2. Officially registered stock in LQ-45
	3. Stocks that are still active for the last four years, 2017-2020
	4. Stock index listed for at least 20 days on the IDX
	5. Meet the IDX selection criteria and process determined by the IDX
	6. Has a free-float market capitalization of the IDX index

Source: Primary data on stock criteria.

3.1. Data Processing and Analysis Techniques

They are using the quantitative method. It is hoped that more accurate measurement results will be obtained regarding the response given to respondents. Regarding the

rate of return and investment risk on the conventional and Islamic capital markets. Data that can be obtained in the form of numbers can be processed using statistical methods with the help of SPSS version 22.00.

4. Results and Discussion

4.1. Return Rate Data

Table 3: JII Company stock index data

JII company stock index							
No	Code	Company name	2017	2018	2019	2020	E(Ri) = R
1	ADRO	Adaro Energy Tbk	0.09735	-0.34677	0.30041	-0.09494	-0.01099
2	AKRA	AKR Corporindo	0.05833	-0.32441	-0.09790	-0.17829	-0.13557
3	ICBP	Indofood CBP Sukses Makmur Tbk	0.03790	0.17416	0.06938	-0.14318	0.03456
4	INCO	Vale Indonesia Tbk	0.02482	0.12803	0.08282	0.44476	0.17011
5	INDF	Indofood Sukses Makmur	-0.03785	-0.02295	0.06376	-0.13565	-0.03317
6	KLBF	Kalbe Farma Tbk	0.11551	-0.10059	0.06250	-0.08359	-0.00154
7	PGAS	Perusahaan Gas Negara (Persero) Tbk	-0.35185	0.21143	0.06132	-0.26444	-0.08589
8	PTBA	Tambang Batubara Bukit Asam (Persero) Tbk	-0.01600	0.74797	-0.38372	0.06038	0.10216
9	PTPP	PP (Persero) Tbk	-0.30709	-0.31629	-0.11634	0.16928	-0.14261
10	SCMA	Surya Citra Media Tbk	-0.11429	-0.24597	-0.22727	0.58478	-0.00069
11	TLKM	Telekomunikasi Indonesia (Persero) Tbk	0.11558	-0.15541	0.06400	-0.17043	-0.03656
12	UNTER	United Tractors Tbk	0.66588	-0.22740	-0.20750	0.22722	0.11455
13	UNVR	Unilever Indonesia Tbk	0.440722	-0.18784	-0.05727	-0.14136	0.01357

Source: Processed Primary Data 2021.

Based on the data in Table 4.1 above, it appears that during 2017 – 2019 the highest index was in 2018 by PT. Bukit Asam Coal Mine (Persero) TBK with an index of

0.74797. At the same time, the lowest index is at -0.38372 by PT. Bukit Asam Coal Mine (Persero) TBK in 2019.

Table 4: Company stock index LQ-45 data

Company LQ-45							
No	Code	Company name	2017	2018	2019	2020	E(Ri) = R
1	ANTM	Aneka Tambang (Persero) Tbk	-0.30168	0.22400	0.09150	1.31737	0.33280
2	ASII	Astra International Tbk	0.00302	-0.00904	-0.15805	-0.12996	-0.07351
3	BBCA	Bank Central Asia Tbk	0.387010	0.20930	0.28750	0.00448	0.22210

Company LQ-45							
No	Code	Company name	2017	2018	2019	2020	E(Ri) = R
4	BBNI	Bank Negara Indonesia (Persero) Tbk	0.79186	-0.11111	-0.09943	-0.22082	0.09012
5	BBRI	Bank Rakyat Indonesia (Persero) Tbk	0.48159	0.05790	0.21029	-0.05874	0.17276
6	BBTN	Bank Tabungan Negara (Persero) Tbk	1.05172	-0.28852	-0.15354	-0.19767	0.10300
7	BMRI	Bank Mandiri (Persero) Tbk	0.38217	-0.07813	0.05085	-0.18387	0.04276
8	GGRM	Gudang Garam Tbk	0.31142	-0.00209	-0.36323	-0.23005	-0.07098
9	HMSP	H.M. Sampoerna Tbk	0.23499	-0.21564	-0.42588	-0.29343	-0.17499
10	INTP	Indocement Tunggul Prakarsa Tbk	0.42532	-0.15945	0.07182	-0.26802	0.01742
11	LPPF	Matahari Department Store Tbk	-0.33884	-0.44000	-0.24821	-0.69715	-0.43105
12	MNCN	Media Nusantara Citra Tbk	-0.26781	-0.46304	1.333333	-0.29193	0.07764
13	WIKA	Wijaya Karya (Persero) Tbk	-0.34322	0.06774	0.21450	-0.01244	-0.01835

Source: Processed Primary Data, 2021.

Based on the data in Table 4.2 above, it appears that during 2017 – 2019 the highest index was in 2019 by PT Media Nusantara Citra Tbk with an index of 1,333. At the

same time, the lowest was at -0.69715 index by Matahari Department Store Tbk in 2020.

4.2. Risk Data

Table 5: JII company stock index data

JII company stock index							
No	Code	Company name	2017	2018	2019	2020	SDi
1	ADRO	Adaro Energy Tbk	0.01174	0.11275	0.09697	0.00705	0.15934
2	AKRA	AKR Corporindo	0.03760	0.03566	0.00142	0.00183	0.09220
3	ICBP	Indofood CBP Sukses Makmur Tbk	0.00001	0.01949	0.00121	0.03159	0.07623
4	INCO	Vale Indonesia Tbk	0.02111	0.00177	0.00762	0.07543	0.10849
5	INDF	Indofood Sukses Makmur	0.00002	0.00010	0.00940	0.01050	0.04717
6	KLBF	Kalbe Farma Tbk	0.01370	0.00981	0.00410	0.00673	0.06178
7	PGAS	Perusahaan Gas Negara (Persero) Tbk	0.07074	0.08840	0.02167	0.03188	0.15373
8	PTBA	Tambang Batubara Bukit Asam (Persero) Tbk	0.01396	0.41707	0.23608	0.00175	0.27261
9	PTPP	PP (Persero) Tbk	0.02705	0.03016	0.00069	0.09727	0.13131
10	SCMA	Surya Citra Media Tbk	0.01290	0.06016	0.05134	0.34277	0.22783
11	TLKM	Telekomunikasi Indonesia (Persero) Tbk	0.02315	0.01412	0.01011	0.01792	0.08518
12	UNTR	United Tractors Tbk	0.30397	0.11693	0.10371	0.01269	0.24434
13	UNVR	Unilever Indonesia Tbk	0.18246	0.04056	0.00502	0.02400	0.16735

Source: Primary Data That Has Been Processed.

Based on the data in Table 4.3 above, it appears that during 2017–2019 the highest index was in 2018 by PT Tambang Batubara Bukit Asam (Persero) Tbk with an index

of 0.417. while the lowest index was at 0.00001 by Indofood CBP Sukses Makmur Tbk in 2017.

Table 6: Company stock index LQ-45 data

Company LQ-45							
No	Code	Company name	2017	2018	2019	2020	E(Ri) = R
1	ANTM	Aneka Tambang (Persero) Tbk	0.40256	0.01184	0.05822	0.96937	0.67730
2	ASII	Astra International Tbk	0.00586	0.00416	0.00715	0.00319	0.37645
3	BBCA	Bank Central Asia Tbk	0.02723	0.00016	0.00428	0.04736	0.33760
4	BBNI	Bank Negara Indonesia (Persero) Tbk	0.49243	0.04050	0.03593	0.09669	0.49356
5	BBRI	Bank Rakyat Indonesia (Persero) Tbk	0.09537	0.01319	0.00141	0.05359	0.33676
6	BBTN	Bank Tabungan Negara (Persero) Tbk	0.90008	0.15328	0.06581	0.09040	0.41065
7	BMRI	Bank Mandiri (Persero) Tbk	0.11520	0.01461	0.00007	0.05136	0.29012
8	GGRM	Gudang Garam Tbk	0.14624	0.00475	0.08541	0.02530	0.55771

Company LQ-45							
No	Code	Company name	2017	2018	2019	2020	E(Ri) = R
9	HMSP	H.M. Sampoerna Tbk	0.16808	0.00165	0.06294	0.01403	0.27203
10	INTP	Indocement Tunggal Prakarsa Tbk	0.16639	0.03128	0.00296	0.08147	0.19640
11	LPPF	Matahari Department Store Tbk	0.00850	0.00008	0.03343	0.07081	0.18647
12	MNCN	Media Nusantara Citra Tbk	0.11933	0.29233	1.57676	0.13658	0.81765
13	WIKA	Wijaya Karya (Persero) Tbk	0.10554	0.00741	0.05422	0.00003	0.14337

Source: Primary Data That Has Been Processed.

Based on the data in Table 4.4 above, it appears that during 2017–2019 the highest index was in 2019 by PT Media Nusantara Citra Tbk with an index of 1,57676. At the same time, the lowest was at the index of 0.00003 by Wijaya Karya (Persero) Tbk in 2020.

4.3. Results of Descriptive Analysis of Returns and Risks of the LQ-45 Stock Index and JII Stocks

Descriptive analysis was conducted to determine whether the data were normally distributed or not, judging from the value of skewness and kurtosis. The number of samples from each data is 52, calculated from the return and risk index data from 2017-2020. In the descriptive analysis, decision-making is seen from skewness and kurtosis. If both values are close to 0, then it can be stated that the data is usually distributed. As seen in the results of the descriptive analysis output.

Table 7: Descriptive analysis of the level of investment risk and take (N = 104)

Variable	Range	Min	Max	Mean	SD	Skewness	Kurtosis
Pick up rate	1.131	-0.383	0.748	-0.000	0.253	0.029	0.196
Investment Risk	0.397	0.032	0.429	0.201	0.087	0.582	0.044

The skewness and kurtosis values in the descriptive output of SPSS return rates of 0.029 and 0.196 are close to 0, so it can be stated that the return rate data for JII and LQ-45 are normally distributed or can be displayed as valid data that can be processed. In addition, the skewness and kurtosis value on the investment risk variable of 0.582 and 0.044 is close to 0, so it can be stated that the JII and LQ-45 risk level data are typically distributed and are displayed as data that can be processed validly.

4.4. The Results of the Independent t-test of the Return on the LQ-45 Stock Index and JII Stock

Based on the results of the independent t-test in comparing the returns on the JII and LQ-45 stock indexes, it was found that the conventional stock returns (LQ-45) were higher (M = 0.205, SD = 0.357) compared to Islamic stocks (JII) with an average value. The mean is -0.000 with a standard deviation of 0.253 (Table 7). So it can be said

that there is a significant difference between the rate of return on the Jakarta Islamic Index (JII) stock index and the Likuid-45 stock index (t = 3.397, p = 0.001).

Table 8: Comparison of JII and LQ-45 stock index returns

Variable	Stock type	Mean	SD	Sig. Levene's Test for Equality of Variance	t	p
Pick up rate	Conventional	0.205	0.357	0.332	3.397	0,001
	Syariah	-0.000	0.253			

4.5. The Results of the Independent t-test of the LQ-45 Stock Index and JII Stock Index Risk

Based on the results of the t-test in comparing the risk level of the JII stock index and LQ-45, it was found that the conventional stock investment risk level (LQ-45) was higher (M = 0.133, SD = 0.281) compared to Islamic stock (JII) with an average value an average of 0.055 with a standard deviation of 0.089 (Table 8). So it can be said that there is a significant difference between the level of investment risk in the Jakarta Islamic Index (JII) stock and the Likuid-45 stock index (t = 1.919, p = 0.000).

Table 9: Comparison of JII and LQ45. stock index risk levels

Variable	Stock type	Mean	SD	Sig. Levene's Test for Equality of Variance	t	p
Investment Risk	Conventional	0.133	0.281	0.08	1.919	0,000
	Syariah	0.055	0.089			

5. Discussion

5.1. Differences in Return on Investment in the LQ-45 Stock Index and JII Stocks

The rate of return is a measure of profit or profit used as a percentage of investment in finance. The rate of return is divided into two, namely, the expected rate of return and the

realized rate of return. The anticipated rate of return is the form of recovery that investors are expected to earn. The realized rate of return is the rate of return that has occurred and is calculated based on historical data, also used as a measure of the company's performance as a basis for determining the expected rate of return and investment risk.

The SPSS independent t-test concluded a significant difference between the returns on the Jakarta Islamic Index (JII) Liquid-45 (LQ-45) stock index. Also seen from the results of table 4.8 shows the return on the stock index LQ-45 is slightly higher with an average value of 0.2 compared to the return on the stock index JII with an average value of -0.00.

The research used in this study is the Autoregressive Vector (VAR). The study also applies the Granger causality test and the Johansen co-integration test to examine the short-term and long-term relationship between the Indonesian Stock Exchange indices. The results of this study provide evidence of statistically significant differences in risk and the level of Risk Adjusted Performance between Islamic and conventional stock indices during 2008-2009.

In contrast to the results of research by Anggraini and Pratomo (2018), which shows that there is no significant difference between the variables of systemic risk, liquidity and the contribution of returns that exist in JII and LQ45. These results are also supported by research by Boujelbène Abbas (2012) examined the risk-adjusted performance of Islamic stock market indices versus those of conventional counterparts using the difference-in-Sharpe ratio test and the CAPM model.

5.2. Differences in Investment Risk Levels in the LQ-45 Stock Index and JII Stocks

The level of risk is a situation with uncertainty about a situation or event that may occur for the decisions taken. Several risks must be faced in investing, namely capital loss, which is a loss obtained from the sale and purchase of shares, what is the difference between the selling value, which is lower than the purchase value of the claims, opportunity loss is the loss when choosing to invest in shares in the form of the difference in deposit interest rates, minus the total return obtained from the investment if there is a price decrease and no dividend occurs. Liquidation is the loss suffered when the company is liquidated. Namely, the liquidation value is lower than the purchase price of the shares.

From the results of the SPSS independent t-Test test, it is concluded that there is a significant difference between the level of investment risk in the Jakarta Islamic Index (JII) Liquid-45 (LQ-45) stock index, where the risk level of the JII stock index is slightly lower than the level of risk in the JII stock index. LQ-45 stock index. The support for this research is the research conducted by Rukmini and Pradana

in 2019 with the research title Comparative Analysis of Returns and Risks Between Syariah Stock Index and Conventional Stock Index on the Indonesia Stock Exchange (Study on JII Stock Index and LQ-45). By using the Mann-Whitney test hypothesis test. That there is a difference between the level of investment risk in the JII stock index and LQ-45 even though the difference between the two is not that big because there are several screening criteria equally applied by both.

In contrast to the results of research by Anggraini and Pratomo (2018), which shows that there is no significant difference between the variables of systemic risk, liquidity and the contribution of returns that exist in JII and LQ45. These results are also supported by research by Suryadi et al. (2021). The results of inferential analysis using a different test show a significant difference between the Sharpe ratio JII and IDX30 in measuring the stock portfolio's performance. The Independent Sample T-Test was implemented to analyze the differences between the Islamic (JII) and non-Islamic (LQ45) optimal stock portfolios based on the Sharpe Ratio, Jensen Ratio, and Treynor Ratio. The results show no significant difference between Islamic and non-Islamic stocks.

6. Summary and Implication

The conclusion can be drawn is that there is a significant difference in the rate of return on investment in Islamic stocks. In this case, the rate of return on shares of Jakarta Islamic Index (JII) and LQ-45, including conventional stock Liquid-45 (LQ-45), is higher than the rate of return on JII shares. There is a significant difference in the level of investment risk in the Jakarta Islamic Index (JII) Syariah stock and the Liquid-45 (LQ-45) conventional stock, where the risk level for the LQ-45 store is higher than that of the JII stock.

Based on the results of the study, it can be implied that there is a significant difference in the risks and returns of conventional and sharia stock groups. When a group of stocks has a large profit, there is a great risk to that group of stocks.

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