

ABSTRACT

THE EFFECT OF FINANCIAL RATIO AND FIRM SIZE TO STOCK RETURN ON MANUFACTURING COMPANY REGISTERED IN INDONESIA STOCK EXCHANGE 2005-2009

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Capital market are one of for investor places to invest the capital to wish obtain compensation in the return of their invest. Stock Invest highly susceptible of the political situation and economic, stock exchange will react when there was crisis in the country. Firm financial report expected to give information for candidate of investor and candidate of creditor to take decisions related of their bonds who invested. The objectives of this research to the effect of Net Profit Margin (NPM), Return On Equity (ROE), Current Ratio (CR), Debt to Equity Ratio (DER), Price Earning Ratio (PER) and Firm Size to stock return of manufacturing company that listed at BEI in the period of 2005 – 2009.

the problem studied of this research is one of the financial ratios and firm size simultant significantly influence to stock return on manufacturing company at BEI. One of this research purpose to find are financial ratios and firm size simultant significantly influence to stock return on manufacturing company at BEI.

Population of this research is all manufacturing company that listed at BEI in the period of 2005 – 2009 which 173 total firms. Sample of population are using non probability with purposive sampling technic obtainable 68 firms. Variable independent of this research is Net Profit Margin (NPM), Return On Equity (ROE), Current Ratio (CR), Debt to Equity Ratio (DER), Price Earning Ratio (PER) and Firm Size. Variable dependent is stock return.

The result of this research is Net Profit Margin (NPM), Return On Equity (ROE), Curent Ratio (CR), Debt to Equity Ratio (DER), Price Earning Ratio (PER) and Firm Size simultant significantly influence to stock return with F value 4.481 at signification 0.000 more smaller than standard significant value 0,05. R Square value 13.9% and the residual 86.1% where Influence from other factor of external this research who can't revealed. F value 4,736 with signification 0,013 ($0,013 < 0,05$). Partially significant to stock *return* is Price Earning Ratio (PER) influence to stock return with signification value 0,003. At the same time Net Profit Margin (NPM), Return on Equity (ROE), Current Ratio (CR), Debt to Equity Ratio (DER), Price to book Value (PBV) and Firm Size partially not influence to stock *return*. *Price Earning Ratio* (PER) more dominant influence to stock *return* than other independent variable. The result beta standard coefficient showed *Price Earning Ratio* (PER) variable had higher signification 0.257.

Keyword: Stock Return, Net Profit Margin, Return On Equity, Current Ratio, Debt to Equity Ratio, Price Earning Ratio, Firm Size