ABSTRACT

THE METHOD'S INFLUENCE OF *ECONOMIC VALUE ADDED* (EVA) AND RASIO PROFITABILITY (ROE) TOWARD STOCK PRICE AT BANKING COMPANY THAT LISTING IN BEI ON 2004-2008

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In investing, an investor would invest in companies with good performance. Investment in stocks requires accurate information so that investors do not get stuck in adverse conditions. If one assumes a capital market has been running efficiently, the fundamental factor is the most influential factor on stock prices. Performance measurement by using traditional accounting methods has a weakness for ignoring the factor of capital costs for investments by investors. The weakness of traditional accounting methods in measuring financial performance can be overcome with the concept of Economic Value Added (EVA). In the banking companies that listing on the Stock Exchange in the period 2004-2008 shows the stock price data, ROE and EVA which fluctuate so that there is a problem because not known whether the ROE and EVA impact on stock prices.

In accordance with the formulation of the problems mentioned above, the purpose of this study was to test the influence of ROE (Return on Equity), and EVA (Economic Value Added) of stock prices. Analysis tools used in this study is a multiple linear regression analysis with EVA and ROE as the independent variable (X) and stock prices as the dependent variable (Y). This sample is a banking company continued listing on the Stock Exchange in the period 2004-2008.

The results of this study show that the variables Return on Equity and Economic Value Added simultaneously affect stock price changes in banking companies listing on the Stock Exchange 2004-2008 period with 5% level. With a coefficient of determination of 69.9%

stated that the ROE and EVA impact of 69.9% while the other 30.1% influenced by other factors such as inflation, SBI, and the exchange rate is a factor that comes from the external macro environment or the company and the only EVA variables that have a significant effect on the level of 5% of stock price changes, whereas other variables did not affect the ROE significantly to changes in the banking company's stock price in the listing IDX period 2004-2008. This is possible because Roe did not take into account the cost of capital from debt, so make do not affect ROE stocks