ABSTRACT

EFFECT OF EARNING PER SHARE AND DIVIDEND PER SHARE CLOSING PRICE ON THE FOOD AND BEVERAGE COMPANIES LISTED IN INDONESIA STOCK EXCHANGE

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Earnings per share can describe the net income of the company are ready to be distributed to all shareholders. Investors will be more interested in companies that have high earnings per share, and earnings per share of a company will affect the company's stock price. Dividend per share is the total dividend to be distributed to the investor for each share. High dividend per share reflect the company has good prospects as it can pay the dividend per share in high quantities. This will attract investors to buy shares, then if the dividend per share of a company valued by investors, the closing price of the shares will rise.

This study aims to provide empirical evidence about the effect of earnings per share, dividend per share against the closing price of the company in Indonesia in a research model. Tests carried out on 11 samples of Food and Beverage companies listed on the Indonesian Stock Exchange for the period 2007-2012. Hypothesis testing is done by using multiple linear regression analysis were processed by Statistical Package for the Social Sciences version 20.

The test results in this study statistically proves that earnings per share, dividend per share positive effect on the closing price.

Keywords: Earning per Share, Dividend per Share and Closing Price.