ABSTRACT

EFFECT OF BETA, FIRM SIZE, AND BOOK TO MARKET RATIO OF STOCK RETURN ON CONSUMER GOODS INDUSTRY IN BEI

(Period 2009-2012)

By

LULU LUSIANA

The development of a country's economy can be measured in many ways one of which is to determine the level of capital market development. With the stock market, investors should not get involved seraca directly but is represented by a broker in investing activities in the capital market. The purpose of investing is to maximize investor returns and consider the level of risk as a basis for investment decisions. Shares used in the study is the consumer goods industry shares in BEI 2009-2012. Consumer goods industry has an important role in insufficient market demand with the growth of Indonesia's population is growing rapidly. With the increasing number of residents, the potential market would be much too.

This study used three independent variables are beta, firm size, and book to market ratio with the dependent variable is the stock return. Total samples taken is 7 consumer goods industry. In this study used regression models have passed the test of the four classical assumption of normality test, multicollinearity, autocorrelation test, and heteroscedasticity. All independent variables in this test jointly affect the dependent variable. The independent variables in this study describes a number of 95.5 percent, while 4.5 percent of the dependent variable is explained by other factors not included in the model.

The results obtained from this study is that there is a positive effect between beta on stock returns. There was no significant relationship between firm size and book to market ratio on stock returns.

Keywords: Beta, Firm Size, Book to Market Ratio, Stock Return