

## ABSTRACT

### **Effect of Debt to Equity Ratio, Dividend Payout Ratio, and the Return on Equity to Price Earning Ratio in Stock Exchange Banking Sector in Indonesia during the period 2008-2012**

(Study of Company Shares of Banking Sector in Indonesia Stock Exchange)

by

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Industrial banks over the times has undergone many changes very rapidly from year to year, which makes the economy be improved. The changes that occur indicates that the government began seriously to build and improve the country's economy. In addition, the banking sub-sector are now much more attractive to investors as the investment field. Seen in every activity related to investments are not separated from the banking world, so this is an important factor that encourage investors to invest in the banking sector in the world.

This study aims to determine the effect of variable DER, DPR, and the ROE variable PER. The hypothesis of this study is that there is the influence of DER, DPR, and ROE against PER simultaneously and there are significant DER, PER Parliament and the partially ROE. Data obtained from the financial statements of the Banking Sector Company Shares 2008-2012 period as published by the Indonesia Stock Exchange (IDX). The type of data in this study is quantitative. Techniques of data analysis done with the classical assumption and hypothesis testing with multiple linear regression method.

These results indicate that simultaneous DER, DPR and ROE do not affect significantly influence the PER as a significant value that is equal to  $(0.768 > 0.05)$  while partially DER, DPR and ROE no significant effect with significant values of 0.391, 0.957, and 0.498. Results determinant coefficient ( $R^2$ ) indicates that the regression model was 0.142, so the change in the dependent variable (PER) can be said to be explained by the independent variables (DER, DPR and ROE) there are other factors that can explain the PER.

Key: DER, DPR, PER, ROE and Capital Structure