

ABSTRACT

ANALYSIS THE EFFECT OF FINANCIAL RATIOS TO STOCK RETURNS ON MANUFACTURING COMPANIES LISTED IN BEI

By

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The objectives of this research was to analyze the effect of study changes in Current Ratio (CR), Debt to Equity Ratio (DER), Gross Profit Margin Ratio (GPM), and Total Asset Turnover ratio (TATO) to stock returns on manufacturing companies listed in BEI between 2009 to 2011.

The analytical method used was multiple linear regression analysis. Statistical hypothesis test is used F test and T test. The samples used in this research was 57 manufacturing companies listed on the Stock Exchange.

The results of this research showed that the variation of the variable stock returns can only be explained by the variation in the change in current ratio (CR), changes in debt-to-equity ratio (DER), changes in gross profit margin ratio (GPM), and change in total asset turnover (TATO) for 5.2 % and the remaining 94.8% is explained by other factors that are not described in this research. Based on the results of T test showed that the two variables, there are the changes in current ratio and changes in gross profit margin ratio have significant value. And the other variables, changes in debt to equity ratio and changes in total asset turnover ratio didn't have significant effect on stock returns.

Keyword: Current Ratio, Debt to Equity Ratio, Gross Profit Margin Ratio, Total Asset Turnover Ratio, Financial Ratio, Stock Returns