ABSTRACT

The Effect OfEarning Information Changes And Market Value Of Investment To Changes In Share Prices Of RealEstate And Property Companies Listed On The Indonesia Stock Exchange

by

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Finding the rapid developments in our country facing the globalization era and free trade, the competition of companies which run in real estate industry and property becomes highly competitive. It certainly encourages companies especially which are go public to submit the information, both financial and non-financial information, which can indicate the company’s capabilities and can be useful for many people.

This study aims to determine the effect of earning information changes and market value of investment to changes in share price. Samples was obtained by using judgment sampling method so that the amount of sample in this study was around 11 real estate and property companies listed on the Indonesia Stock Exchange in 2008-2010.

This study used the changes in share prices as the dependent variable. Earning information changes used is the ratio of profitability which is proxyby Net Profit Margin (NPM) and Return on Equity (ROE), while the market value of investments is proxyby Earnings Per Share (EPS).

Themultiple linear regression is used to examine the effect of independent variables to the dependent variable. Data processing was done using SPSS16.0 with a confidence level of 95% anda significance level of α=5%.

The results ofF-test or ANOVA showed that changes in NPM, ROE, and EPS have an impact on stock price changes. By using t-test, NPM changes (0.014) and EPS (0.049) significantly affected the stock price changes. While ROE (0.615) had a negative effect insignificantly on stock price changes in real estate and property companies listed on the Indonesia Stock Exchange.

Keyword: Earning Information Changes, Net Profit margin (NPM), Return On Equity (ROE), and Earnings Per Share (EPS).