

ABSTRACT

RATINGS EFFECT OF GOOD CORPORATE GOVERNANCE PERFORMANCE MARKET LISTED IN INDONESIA STOCK EXCHANGE

By

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Issues raised in this study is: "Does Corporate Governance Perception Index (CGPI) effect on market performance are listed in the Indonesia Stock Exchange?". The next aim of this study is to test empirically the Corporate Governance Perception Index (CGPI) which is determined by the characteristics of the company's market performance. Then the theory is used as a reference in this study is the price earnings ratio (PER). The focus of this research focused on the performance of the market. The data used in this study is secondary data with the data collection methods used are Purpusive Judgement Sampling method, in order to obtain as much data as a sample of 15 companies ranking of The Indonesian Institute for Corporate Governance (IICG) for 3 years, from 2009 to 2011. The method used to test the hypothesis in this study is to test multiple linear regression.

Based on the discussions that have been conducted, the independent variables are statistically significant effect on the dependent variable, which means good corporate governance affects the price earnings ratio.

Keywords : *Good Corporate Governance (GCG), Price Earning Rasio (PER)*