

ABSTRACT

THE INFLUENCE OF PRICE TO EARNINGS RATIO AND DEBT TO EQUITY RATIO ON STOCK PRICE SECTOR LQ 45 AGRICULTURE IN 2010-2011

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Capital Market is the exchange that is a means to bring together supply and demand for long term funds in the form of securities and stocks. Investors who invest their funds in the capital market expect a rate of return, while in the investment choices are the risk factors. Investment is defined as an activity to invest either in money or an object with the purpose to obtain profits. Among the securities traded on the capital market, shares are the most widely used to attract funds from the public. In investing, an investor should consider the rate of risk an investment is becomes the basis for making investment decisions.

This research was conducted in the period 2010-2011 by taking of secondary data obtained through the internet website of BEI (Stock Exchange Indonesia) with object of companies contained in the agricultural sector in calculation LQ-45 index uses quantitative methods to analyze data. In partial, price-to-earnings ratio (PER) stocks have high significant influence on stock prices of agriculture, but the fundamental factors the partial debt-to-equity ratio (DER) does not affect on stock prices of agriculture. Fundamental factors which consist of stocks DER and PER has a significant influence on the agricultural company's stock price. In partial, only the PER stocks that have a significant influence on stock prices of agricultural. The survey results revealed that the fundamental factor stock PER dominant influence on stock prices.

Keywords : Stocks, Rate Of Return, Price To Earning Ratio (PER), Debt To Equity Ratio (DER).