

ABSTRAK

Return is the amount of revenue that obtained by investors on investment activity. Generally, investors do not know exactly the amount of total return to be earned on the investment that they did. Therefore, analysis is necessary to predict stock returns before investing in a company. This study aimed to examine the effect of firm size, the price earnings ratio, and book to market ratio on stock returns

This research was conducted on companies that listed in LQ 45 on 2011-2013. Total of samples 18 are companies, taken by using purposive sampling method. This study used secondary data which seen from the financial statements and closing stock price. The data were analyzed by using multiple linear regression and with level significance of 5%.

The result showed that price earning ratio has significant positive effect on stock return, while firm size and book to market ratio have no significant effect on stock return.

Keywords : firm size, price earning ratio, book to market ratio, stock return.