ABSTRACT

In investment world, the party who put their capital in stock of listed companies has the aim to obtain return and avoid risk. One of many ways to assess the performance of companies that will be invested is using Economic Value Added as an internal indicator and Market Value Added as an external indicator.

Economic Value Added is an estimate of a business' true economic profit for the year, which means that it recognizes that there is an opportunity cost for the capital used. Market Value Added is a difference between the market value of equity and the equity supplied by the shareholders.

This research is done with the objective to know empirically the influence of Economic Value Added and Market Value Added toward stock return. Population of this study is Consumer Goods Companies. The sampling technique is purposive sampling, with total sample of 14 Consumer Goods Companies listed in the Indonesia Stock Exchange period 2009-2014. The technique of data analysis that is used is Data Panel with Common Effect Model. Hypothesis testing using t-test for partial test, f-test for simultaneous test and coefficient of determination.

The result of this research indicates that partially Economic Value Added and Market Value Added have no influence on the stock return. And for the simultaneous test, Economic Value Added and Market Value Added also have no influence on the stock return simultaneously. Further more, the coefficient of determination result is 0.045843 or in other words, the variable stock return can be explained by Economic Value Added and Market Value Added by 4.58%. While the 95.42% is explained by other factors outside this research.

Keywords: Economic Value Added, Cost of Capital, Market Value Added, Stock Return