ABSTRACT

This study aims to obtain empirical evidence about the effect of profitability, dividend policy, and solvabilits on stock returns. Where the stock return is a reference for investors to invest in a company, because investors always expect a level appropriate return on any risks it faces. The higher the rate of return of shares by the company, the higher the level of investment in the company.

Through this research will be measured on profitability ratios, dividend policy, and the solvency ratio. In addition, this study will evaluate the effect of variable profitability, dividend policy, and solvency to return stock companies listed in the LQ 45.

The data collection is done by documentation of data which is based on financial statements that have been audited and publicized by the Indonesia Stock Exchange. Based on the collection of samples using purposive sampling techniques found the number of samples of this study were 14 companies listed in the LQ45 Index 2011-2015.

Based on test results using software Eviews 8.0, simultaneously independent variables divided into profitability, dividend policy, and solvency significantly influence stock return. Based on the partial test results, obtained results showing profitability variable has a significant positive effect on stock returns. then the variable dividend policy has a significant negative effect on stock returns. While the solvency variable has no effect on stock returns.

Based on the results of the study, to obtain a good stock returns, a company must obtain high profits which in turn could make the added value for the company itself due to the good performance of the company. The high stock returns due to rising stock prices that occurred as a result of the company's activities and the increase in net.

Keywords : Profitability, Dividend Policy, Solvability, and Stock Returns