

ABSTRACT

Automotive and components sub sector companies is one of a company that is growing. In addition to having comprehensive industry coverage, and high labor productivity, the sector also has a market growth that is increasing every year making it interest for investors to invest their shares.

This research uses the dependent variable that is the Earning Per Share (EPS) and the independent variables including inflation, solvency ratio, and interest rate. This research was conducted to analyze how the effects of solvency ratio, inflation, and the interest rate on Earning Per Share (EPS) at the automotive and components sub sector companies in 2012-2015.

The population in this research is a automotive and components sub sector companies are listed on the Stock Exchange. Technique of sample selection using purposive sampling techniques and acquired 12 companies with a period of 4 years of research in order to obtain 48 samples for analysis.

This research uses secondary data from annual reports obtained from the official website of Indonesia Stock Exchange (IDX). Methods of data analysis used in this study is panel data regression. Tests carried out in this method is the Chow test, Hausman test and the method used is Random Effect Model (REM).

The results showed that simultaneous significant effect between solvency ratio, inflation, and interest rate on Earning Per Share (EPS). Partially the solvency ratio and inflation was not significant effect on EPS, meanwhile interest rates has a significant negative effect on EPS.

Keywords: *Solvability Ratio (DER), Inflation (Inflation Growth), Interest Rate (BI rate), Earning Per Share (EPS).*