

The Influence of Return On Asset (ROA), Return on Equity (ROE) and Earning Per Share (EPS) to Stock Price

(Study on Consumer Goods Industry Sector Manufacturing Companies Listed in Indonesia Stock Exchange Period 2011-2015)

ABSTRACT

Every company should have a goal in order to grow and develop into a larger company that generates profit or greater gain. In a company which relatively earned high profit, it is likely dividends paid will also be relatively high. Demand for stocks was increased, and the price will also increased. However, the theory is contradicted by the facts that actually occurred. Some consumer goods industry companies listed in the Indonesia Stock Exchange sustained a phenomenon in which stock prices decreased while the net income increased.

This study aims to demonstrate empirically on how the influence of Return On Asset (ROA), Return on Equity (ROE) and Earning Per Share (EPS) partially and simultaneously to the stock price of consumer goods industry sector manufacturing companies listed in Indonesia Stock Exchange 2011-2014. This study using purposive sampling method. The samples picked were 28 companies of consumer goods industry sector in Indonesia Stock Exchange. The data used is secondary data derived from the official website of the Indonesia Stock Exchange. This research use panel data regression analysis. The results show that ROA and ROE partially do not have significant influence while EPS has a significant influence on stock prices. Also ROA, ROE, and EPS simultaneously have the significant influence on stock prices.

Keywords: Stock Prices, Return on Assets (ROA), Return on Equity (ROE) and Earning Per Share (EPS)