ABSTRACT

Signalling theory assumes the existence of asymmetric information between company management and investors. Company management has different information with the investor. This information discrepancy causes investors to give a low price on the company's stock. Companies may increase their share prices by reducing asymmetric information through publishing financial statements.

This study was conducted to examine the factors that affect the stock prices of companies listed in the LQ45 index in Indonesia Stock Exchange in 2014 - 2016. The factors used in this study are Earning per Share (EPS), Return on Assets (ROA), and Debt to Equity Ratio (DER).

The population in this study is the financial statements of companies listed in the LQ45 index on the Indonesia Stock Exchange in 2014-2016. The sampling technique used is purposive sampling. The sample of this research as many as 29 companies that meet the criteria. Data analysis method in this research is panel data regression by using method of Random Effect Model (REM) using STATA 14.0.

The results of this study show that EPS, ROA, and DER simultaneously significantly affect on stock prices. Based on partial test of EPS and ROA have positive effect significantly to stock price, while DER does not influence to stock price.

Key Words **:** *Earning per Share (EPS), Return on Asset (ROA), Debt to Equity Ratio (DER), Stock Prices*