

ABSTRACT

One of the important indicators in a company investment is stock return, it showed how much the investors are interested in investing their funds in a company. Stock returns are a reference for investors to invest in a company, because investors always expected an appropriate rate of return for each risk they face.

This study aimed to obtain empirical evidence regarding the effect of profitability, solvency and dividend policy on stock returns. This research measured the profitability ratio, solvency ratio and dividend policy. In addition, this study evaluated the influence of the variable profitability, solvency and dividend policy on stock returns in food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange.

This type of research is descriptive verification. Data collection is done by documenting data sourced from financial statements that have been audited and published through the Indonesia Stock Exchange or related company websites. The population in this study is a manufacturing company in the food and beverage sub-sector for the 2015-2019 period. The data analysis method in this study is panel data regression analysis using software views.

The results showed that simultaneously the variables of profitability, solvency and dividend policy had an effect on stock returns. Profitability partially has a significant positive effect on stock returns. While solvency and dividend policy partially have no significant effect on stock returns.

In future research, other researchers can determine other factors that can be studied that have an influence on stock returns, so that the complexity of stock returns can be explained as the modern economy develops. Further researchers can also carry out research with different objects in order to add references to the characteristics of various respondents.

Keywords : Dividend Policy, Profitability, Solvency and Stock Return