## ABSTRACTION

This thesis contains of Beta and expected return analysis on Lippo Group , which is beta as risk indicator that comes from expected return of the share with the market. The data source is from shares price of Lippo Group subsidiaries, IHSG (return market), and SBI rate from January 1999 to December 2003 (Five Years period) . The purpose of this evaluation study is to observe and analyze Beta from Lippo Group subsidiaries using Single Index Model (SIM) and Capital Assets Pricing Model (CAPM) approach and using statistical method (Linear regression ), so at the end it can give right reference to the investor to consider market risk factor before invest in capital market. The result of this observation using Linear regression with *Single Index Model (SIM)* and *Capital Asset Pricing Model (CAPM)* shows that the result is not difference . The highest beta is on LPPKR share that means the market risk is higher and more volatile than other share in this observation. The high level of beta for LPPKR means if the IHSG is increase, The LPKR share price also increase vice versa. The other result from this observation using another technique that observe return using Kruskal Wallis and anova shows that there are no significant difference between those shares. In other way, although Lippo Group has different kind of core business in average return of their shares are the same.