

ABSTRACT

JIMMY SULISTIO. *Fundamental Variables Influence On The Price Book Value At Banking Companies in Indonesia Stock Exchange Period 2003 – 2008. (Under the supervision by Muindro Renyowijoyo).*

In theory when the company's financial performance improves, then the value of market capitalization will rise, further positive effect on Price Book Value (PBV), but the fact found that data is taken from the Indonesia Stock Exchange (BEI) in the period 2003-2008 does not describe the theory.

To observe the effect of ROE, SG, EGR, ROA, DER and EPS of PBV used multiple linear regression with ROE, SG, EGR, ROA, EGR, DER, EPS as independent variables and PBV as dependent. For that has been done evaluating the quality of the data by using the normality test, outliers, multicollinearity test, test of autocorrelation, heteroscedasticity test. Furthermore, to achieve the purpose of research, testing using a test model adjusted R^2 , F test, t test, the dominant variable test.

The result show that the variable SG, EGR, ROA and EPS significantly influence PBV. This is because the variables SG, EGR, ROA, EPS and PBV using the same information that is information from the financial statements. Based on the theory of Husnan (2001) that profit will affect stock prices. Profit itself is formed from a process and involves a lot of information, while variable SG, EGR, ROA and EPS is the variable that is formed from the derivatives the same information with the information that forms the profit. Test on the dominant variable ROA has the most dominant influence on PBV, whereas the test adjusted $R^2 = 42.50\%$, meaning that the influence ROE, SG, EGR, ROA, DER and EPS of PBV only 42.50% and balance of 57.5% is influenced other variables that are not involved in the research.

The results of this research to provide preliminary information to investors that in making investments, not only the fundamental variables can affect the stock price, but there are other variables besides the fundamental variables that also affect the stock price, investors have to be more careful in doing investment

Keywords: ROE, SG, EGR, ROA, DER, EPS, Price Book Value (PBV)