

## LIST OF CONTENTS

TITLE .....	i
AUTHORIZATION.....	ii
STATEMENT.....	iii
PREFACE.....	iv
LIST OF CONTENTS .....	vi
LIST OF TABLES.....	ix
LIST OF APPENDIX .....	xi
ABSTRACT .....	xii
ABSTRAK.....	xiii
CHAPTER 1 INTRODUCTION .....	1
1.1 Background.....	1
1.2 Problem Identification .....	3
1.3 Research Scope.....	3
1.4 Research Question .....	4
1.5 Research Objective .....	4
1.6 Research Contribution .....	5
CHAPTER 2 THEORITICAL BASIS.....	6
2.1 Fundamental Analysis.....	6
2.2 Financial Statements .....	6
2.3 Financial Ratio.....	8
2.3.1 Type of Financial Ratio.....	8
2.3.2 Financial Ratio Analysis .....	9
2.4 Stock .....	10
2.4.1 Type of Stock .....	10
2.4.2 Stock Return.....	11
2.5 Previous Research.....	12
2.6 Hypothesis Development.....	15
2.6.1 The Effect of Liquidity Ratio (Current Ratio) on Stock Return.....	15
2.6.2 The Effect of Asset Management Ratio (TATO) on Stock Return .....	15
2.6.3 The Effect of Debt Management Ratio (DER) on Stock Return.....	16

2.6.4	The Effect of Profitability Ratio (Return on Equity) on Stock Return.....	16
2.6.5	The Effect of Market Value Ratio (Price to Earnings) on Stock Return.....	17
2.7	Framework of Thinking .....	18
CHAPTER 3 RESEARCH METHOD .....		19
2.1	Data and Sample .....	19
2.2	Variable Management.....	21
2.2.1	Dependent Variable.....	21
2.2.2	Independent Variable .....	21
2.3	Data Analysis Method .....	22
2.3.1	Descriptive Statistics.....	22
2.3.2	Factor Analysis.....	23
2.3.3	Classic Assumption Test .....	23
2.4	Panel Data Regression .....	25
2.4.1	Common Effect Model.....	26
2.4.2	Fixed Effect Model.....	26
2.4.3	Random Effect Model .....	26
2.5	Selection of Panel Data Regression Estimation Technique.....	26
2.5.1	Chow Test .....	27
2.5.2	Hausman test .....	27
2.5.3	Lagrange Multiplier Test.....	28
2.6	Hypothesis Test .....	29
2.6.1	Partial Test (t-test).....	29
2.6.2	Coefficient of Determination (R <sup>2</sup> ) .....	29
CHAPTER 4 FINDINGS AND DISCUSSION .....		31
4.1	Descriptive Statistics .....	31
4.1.1	Factor Analysis.....	33
4.2	Classic Assumption Test.....	37
4.2.1	Multicollinearity Test.....	37
4.2.2	Heteroscedastisity Test.....	38
4.3	Panel Data Regression Test .....	38
4.3.1	Chow Test .....	40
4.3.2	Lagrange Multiplier Test.....	41
4.4	Hypothesis Test .....	41

4.5	Discussion.....	45
4.5.1	The Effect of Liquidity Ratio (Current Ratio) on Stock Return.....	46
4.5.2	The Effect of Asset Management Ratio (TATO) on Stock Return.....	47
4.5.3	The Effect of Debt Management Ratio (DER) on Stock Return.....	47
4.5.4	The Effect of Profitability Ratio (Return on Equity) on Stock Return.....	48
4.5.5	The Effect of Market Value Ratio (Price to Earnings) on Stock Return.....	48
CHAPTER 5 CONCLUSION .....		49
5.1	Conclusion .....	49
5.2	Limitation .....	49
5.3	Recommendation .....	50
5.4	Implication.....	50
BIBLIOGRAPHY .....		52
APPENDIX.....		55

## LIST OF TABLES

Table 2.1: Previous Research of Related Study .....	12
Table 3.1: Infrastructure, Utility, Transportation, and Building Construction Company List in 2012 to 2016 .....	20
Table 3.2: Independent Variables .....	22
Table 4.1: Descriptive Statistics Output .....	31
Table 4.2: Liquidity Ratio Factor Analysis Output .....	33
Table 4.3: Assets Management Ratio Factor Analysis Output .....	34
Table 4.4: Debt Management Ratio Factor Analysis Output.....	34
Table 4.5: Profitability Ratio Factor Analysis Output .....	35
Table 4.6: Profitability Ratio Component Relation Output .....	35
Table 4.7: Market Value Ratio Factor Analysis Output .....	36
Table 4.8: Market Value Ratio Component Relation Output .....	36
Table 4.9: Multicollinearity Test Output .....	37
Table 4.10: Heteroscedasticity Test Output.....	38
Table 4.11: Common Effect Model Output .....	39
Table 4.12: Fixed Effect Model Output.....	39
Table 4.13: Random Effect Model Output .....	40
Table 4.14: Redundant Fixed Effects Test or Chow Test Output.....	40
Table 4.15: Lagrange Multiplier Test Output .....	41
Table 4.16: Panel Data Regression Output .....	42

## LIST OF PICTURES

Picture 2.1: Research Design .....	18
------------------------------------	----

## LIST OF APPENDIX

Appendix 1: Common Effect Output.....	55
Appendix 2: Fixed Effect Output.....	56
Appendix 3: Chow Test Output.....	57
Appendix 4: Random Effect Output.....	58
Appendix 5: Lagrange Multiplier Output.....	59
Appendix 6: Descriptive Statistics Output.....	60
Appendix 7: Multicolleniarity Output.....	60
Appendix 8: Factor Analysis Output.....	61
Appendix 9: Companies' Data.....	63