



Table of Contents

Preface	i
Table of Contents	iii
List of Tables and Figures	vi
List of Appendices	vii
ABSTRACT	viii
ABSTRAK	ix
CHAPTER I	1
INTRODUCTION	1
1.1. Background	1
1.2 Problem Statement	5
1.3 Research Objective	6
1.4 Contributions of the Research	6
1.5 Writing Framework	7
CHAPTER II	9
LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT	9
2.1. Literature Review	9
2.1.1. Financial Behavior	9
2.1.2. Prospect Theory	10
2.2. Previous Research	12
2.4. Hypothesis Development	13
CHAPTER III	15
RESEARCH METHODOLOGY	15
3.1. Data and Sample	15
3.1.1. Research Sample	15
3.1.2. Research Data	15



3.1.3. Data Collecting Method	16
3.2. Description of Variables	17
3.2.1. ROE Position	18
3.2.2. Risk	18
3.3. Hypothesis Testing	20
3.4. Classical Assumption Test	21
3.4.1. Normality Test	21
3.4.2. Multicollinearity Test	21
3.4.3. Autocorrelation Test	22
3.4.4. Heteroskedasticity Test	23
3.5. Selection of Panel Data Regression Model	23
3.5.1. Chow Test	24
3.5.2. Hausman Specification Test	25
3.5.3. Lagrange Multiplier Test	25
CHAPTER IV	26
FINDINGS AND DISCUSSIONS	26
4.1. Descriptive Statistics	26
4.2. Classical Assumption Test	28
4.2.1. Normality Test	28
4.2.2. Multicollinearity Test	29
4.2.3. Autocorrelation Test	30
4.2.4. Heteroskedasticity Test	31
4.2.5. Treatment for Classical Assumption Test	32
4.3. Selection of Panel Data Regression Model	32
4.3.1. Chow Test Between Fixed Effect and Pooled OLS	33
4.3.2. Hausman Specification Test	34



4.3.3. Lagrange Multiplier Test	35
4.3.4. Selection of Panel Data Regression Model	36
4.4. Regression Result Using the Random Effect Model	37
4.4.1. T Test	38
4.5. Regression for the Subsector Industry	39
4.6. Discussion	40
CHAPTER V	43
CONCLUSIONS AND RECOMMENDATION	43
5.1. Conclusion	43
5.2. Limitation	45
5.3. Recommendations	45
References	46
APPENDIX	48
Appendix 1	48
Appendix 2	51
Appendix 3	57

List of Tables and Figures

Figure 2.1	Value Function S-Shaped.....	11
Table 4.1	Descriptive Statistics.....	26
Figure 4.1	Histogram Residual Model.....	29
Table 4.2	Autocorrelation Test Result.....	30
Table 4.3	Heteroskedasticity Test Result.....	31
Table 4.4	The Regression Result using the Three Regression Model.....	33
Table 4.5	The Result of Chow Test Between Fixed Effect and Pooled OLS.....	34
Table 4.6	The Result of Hausman Specification Test Between Fixed Effect and Random Effect.....	35
Table 4.7	The Result of Lagrange Multiplier Test.....	36
Table 4.8	The Result of Regression Using the Random Effect Model.....	37
Table 4.9	T Test Result.....	38
Table 4.10	The Result of Regression at the Level of Subsector Industry.....	39



List of Appendices

Appendix 1	Research Sample of Companies in Property, Real Estate, and Building	
	Construction Industry.....	48
Appendix 2	Companies Observation Data.....	51
Appendix 3	Regression Results Using STATA.....	57