

**EFFECT TO FINANCIAL RATIO IN SHARE PRICE IN
MANUFACTURING COMPANIES REGISTERED IN THE EXCHANGE OF
SECURITIES INDONESIA.**

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ABSTRACT

The purpose of this study was to test the benefit of financial ratios to predict earnings growth in the future. The data used are manufacturing company's financial statement that have been listed on the Indonesia Stock Exchange (BEI) for three years, namely in 2007, 2008, and 2009. Hypothesis testing the benefits of financial ratios to predict earnings changes in the future using multiple regression, F test, and test t.

Dependent variable is the growth in profit research and for independent variables using financial ratios. There are 28 financial ratios, which selected the 6 financial ratios : Cash Ratio, Net Profit Margin Ratio, Total Debt to Total Asset and Operating Ratio.

Test result showed significant financial ratios to predict earning growth in the future.

Key word : financial ratios and earnings growth