

**FINANCIAL EFFECT ON SHARE PRICE PERFORMANCE IN
MANUFACTURING COMPANY IN INDONESIA STOCK EXCHANGE
(IDX)**

BY :

SINTA KURNIAWATI

43209110105

ABSTRACT

The purpose of this research was to investigate the effect of financial performance set forth in the financial ratios Return on Equity, Net Profit Margin, Price Earning Ratio and Debt to Equity Ratio of stock price and its benefits in making investment decisions together.

The population in this study is the manufacturing companies listed in Indonesia Stock Exchange. Periods of research conducted for 3 years from the year 2007 to 2009 with samples taken by purposive sampling. The data used are secondary data obtained from financial statements of companies listed in Indonesia Stock Exchange. The model of analysis used is multiple linear regression analysis.

The results showed that together all independent variables that significantly influence stock prices. Based on these results, investors and prospective investors should consider ROE, NPM and PER as the financial ratios that can influence decisions in investing.

Keywords: stock prices, financial ratios, financial performance