

LIQUIDITY AND SOLVENCY EFFECTS ON STOCK PRICE, CASES OF STUDY ON THE FOOD AND BEVERAGE COMPANY LISTED ON THE INDONESIAN STOCK EXCHANGE

**BY :
Andri Purnama Sari
43210110 - 028**

ABSTRACT

This research was about the effect of the liquidity and solvency of the stock price. The purpose of this research was to determine the effect of the liquidity ratio in terms of current ratio and solvency ratio in terms of debt to equity ratio of the food and beverage company at the Indonesian Stock Exchange (IDX). The data obtained by the researcher is the data that has been published by the Indonesian Stock Exchange (IDX) with a total of 5-year study period from 2007 to 2011. Total population in this study were as many as 14 food and beverage companies and the number of samples used in this study after passing the criteria and purposive sample stage is as many as 11 food and beverage companies. The techniques used in this research is to use multiple linear regression method to get the result between the effects of the independent variables with the dependent variable.

The results of this study indicate that the variable Current Ratio (CR) and the Debt to Equity Ratio (DER) have positive and significant impact on stock prices in manufacturing companies. The result of this study can be used by investors for decision making and investment strategies.

Key Words : Likuidity, Solvency, Stock Price