ANALYSIS OF FINANCIAL RATIOS EFFECT TOWARDS STOCK RETURN IN FOOD AND BEVERAGE COMPANIES IN INDONESIA

UNDERGRADUATE THESIS

Submitted as one of the requirements to obtain
Sarjana Manajemen

By

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FACULTY OF BUSINESS
MANAGEMENT STUDY PROGRAM
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JUNE, 2023

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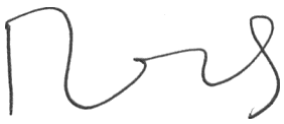

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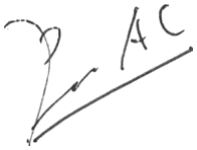

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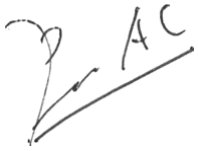

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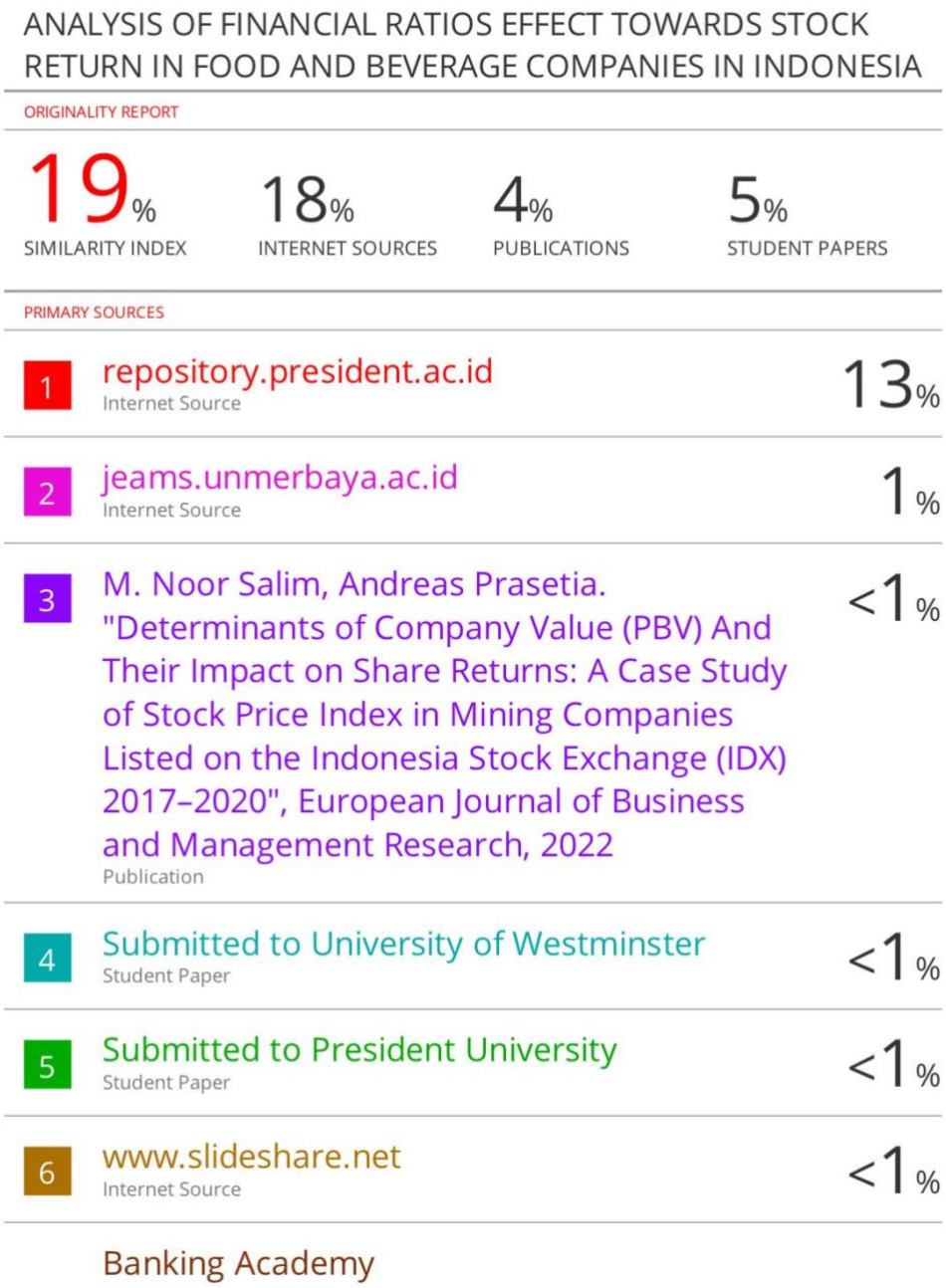

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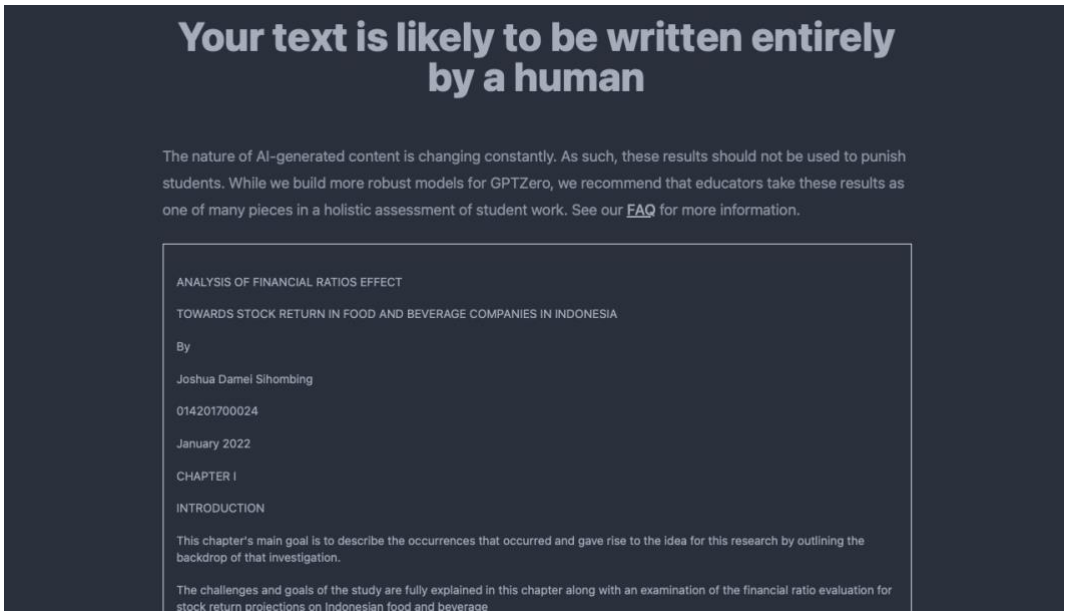

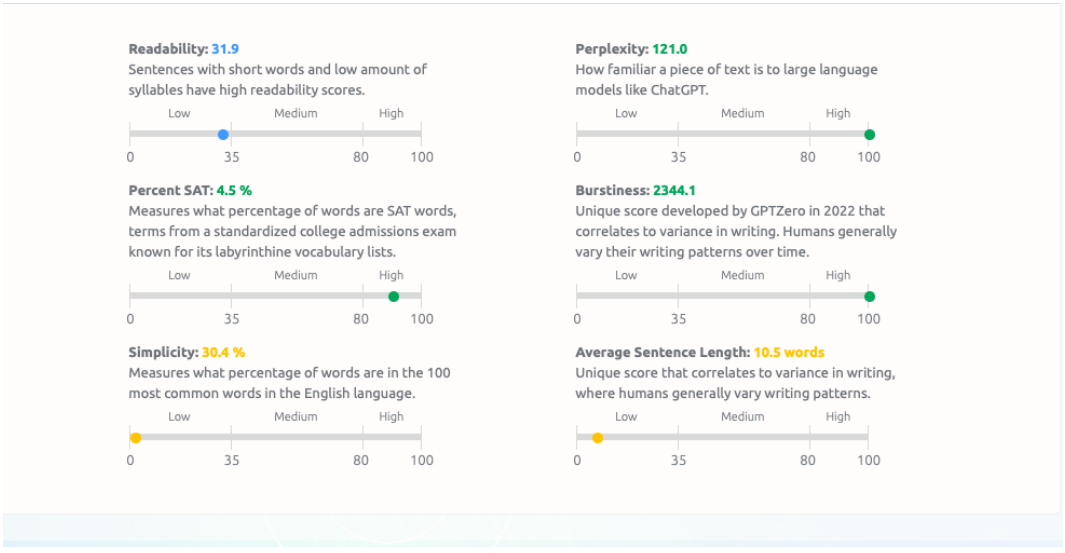

ABSTRACT

The purpose of this research is to look at the effect between financial ratios and stock returns in the Indonesian food and beverage industry. The research focuses on determining the influence of various financial ratios on stock returns and comprehending their relevance in projecting stock performance. A sample of food and beverage firms listed on the Indonesian stock exchange is from 5 companies, and financial data for a specified period is from 2015-2020. The study uses a quantitative research method, analyzing the association between financial ratio and stock returns using multiple regression analysis. As independent variables, several essential financial factors and activity ratios are evaluated. The stock return, which serves as a gauge of the firms' financial performance, is the dependent variable, using EViews as result tools. The calculation shows that the independent variables may concurrently justify 52.66%. Directors as well as shareholders may apply the study findings to assess the firm's success.

Keywords: Financial Ratios, Stock Returns, Firm Performance, Shareholders

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Researcher hope that this thesis could be useful for some parties related to the topic that has been analyzed.

Cikarang, Indonesia, 17th June 2023

Joshua Damei Sihombing

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