

IMPACT OF FINANCIAL PERFORMANCE AND MARKET RETURN TO STOCK RETURN : EMPIRICAL STUDY IN INDONESIA STOCK EXCHANGE

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ABSTRACT

This study aimed to analyze the influence of investment opportunity set, the level of leverage and the return of stock market returns. Selection factors or independent variables were based on agency theory and signaling theory which suggests that the shareholders aim to maximize the value of the company is characterized by an increased share price stretcher companies in the capital market. While the decision of investors in the capital market in addition to using financial statement data and other data presented, it also uses the signal approach in making investment decisions. To support this analysis, then in this empirically used secondary data in a timeframe of ten years by selecting a sample of 20 companies classified as the most active companies traded shares in brackets the last six months or August 2015 to January 2016. The analytical method used is to statistical approach through a linear regression model. The results of this study found that investent opportunity set that is proxied as growth in assets, capital expenditure, and the ratio of investment to earnings, the effect turns negative and significantly the effect on stock returns. This study uses a model be some analysis, and the results are consistent, so it can be stated that the policy of adding asset management and capital expenditure does not affect the decision invetor in stock transactions in the capital market. Variable levels of leverage and market return variable and seginifikan positive effect on stock returns, so that changes in these variables will trigger the growth of stock prices or increase stock returns. Tests using several models of analysis, the result was consistent, especially as investors are very concerned about these two variables. Variable levels of leverage shows that with increased leverage impact on the attainment of the dividend per share has been increasing as the profitability of the company is only enjoyed by shareholders in a limited number. While the market return variable gives a signal about the company's overall condition is listed on the Stock Exchange, so that the growth stock index or market return significant effect on stock returns.

keyword: *Agency Theory, Signalling Theory, Financial Performance and Capital Asset Pricing Model.*

INTRODUCTION

Stock returns based perusahaan.menjadi share price development center of attention, especially the part of investors, owners or shareholders, and corporate management. Investors tend to buy and sell stocks for speculative interests with a view to obtaining the gain or the gain of the difference between the purchase price and the sale of these shares. Owner of the company or shareholders are marked with a stake of long-term objectives with a view to obtaining dividends, develop the company and maintain operational continuity.

Investor interest in the stock price change information dibursa good effect that it controls shares or shares of other companies with a view to obtaining the profit opportunities or interests speculation. Increasing trend in share prices will affect the decisions of investors are buying or selling shares, depending on the rate of return or risk. Investors predicted a rise in sales when the company's stock just a short term or that its share price will fall within a certain time. Instead, parties, investors buy when prices decline and estimated that the stock price will increase future coming, or make a purchase when the price increases and projected that the share price continues to rise within a certain period.

Consideration of other investors in the purchase and sale of shares in the capital market is the use of information related to the past, present and future of the company, resulting in the decision of investors using technical analysis and fundamental analysis of the company's shares are to be purchased.

The company's owner or long-term shareholder interests in the company's stock price fluctuations, especially in relation to the value of the company. In terms of the company's shares by the market at a higher price, then it can dindikasikan that the company increased its value. The value of the company is very important for the owner or principal, especially in the development of the company. High value of the company will have the ease of obtaining a good funding source of iternal shareholders or from external banks or other financial institutions. Shares tend to increase demand by investors, so the company will obtain a higher share price or the share premium. Shares tend to increase prices will gain greater cash inflow dibading nominal value of shares. It will also make it easier for companies to expand because of the ease of obtaining financing through new emission or sell shares as very attractive to investors. This also happens in funding through financial institutions or banks. Businesses that have a value that is likely to increase to be easier to obtain a loan for investment or expansion feasible because companies tend to have a strong market share, in addition to its financial capability, so that the bank or financial institution assesses the credit risk is relatively small.

Management of the company or agent interested in the secondary market stock price changes Flemings for ease of expansion and improve the performance of companies that can provide increased compensation for management and employees. Value companies are likely to increase reflected in stock prices tend to be higher over time. This will indirectly

enhance the company's image and encourage marketing success, enhance profitability, improve the level of efficiency because the cost of capital becomes cheaper and gain additional paid tabahan because the difference between the exchange rate and the book value of these shares. Expansion of companies financed from cheap funding will encourage the development and improvement in production or service companies, so it becomes a trigger peningkatan pencapaia certain level of profitability as expected the steakholder companies. It also means that with such performance, then the interests of management in the form of compensation, the extension of the term of office and other facilities for the better. In addition, the management succeeded in raising the company's value will increase management bersangkutan rating, making it easier to obtain a management position in the labor market professionals. Many companies require management that have managed to increase the value of the company before, so that the achievement of a brilliant performance will facilitate obtaining the same position in other companies or the market, and it is both a bargaining power to press the stockholders or the principal to be willing to increase compensation in accordance achievements have achieved the management company or agent.

The financial performance of the company is certainly not solely influenced by the achievement of corporate financial management, but also influenced by the overall internal potential, including employees profiseional and high performance, resulting in the production or pelayana provided to consumers can create optimal satisfaction or satisfaction. The increased performance is reflected in the key indicators that have an impact on increasing the profitability of the company, increasing the share price on the Stock Exchange or expressed as an increase in value of the company. The company's performance is not just solely by internal factors but also influenced by external factors both within the industry and macro environment. Environmental meliputi industry supply company, a rival company, a supplier of goods replacement or substitution, a supplier of complementary goods, the company as a distributor, and others that affect the company's stock price changes. While the macro environment as ekonomi macro conditions, political conditions, security conditions, the culture in the community where the company is located, technological developments, and others that affect the company's stock price changes.

Based on the stock price fluctuations are influenced by internal factors and external financial or performance, then in this study will be assessed a group of internal factors or external factors and financial performance of companies that have an influence on the return and the company's stock price. Internal factors or financial performance are related to the company's financial management policies such as investment opportunity set or IOS and capital structure policy or a comparison between the use of debt or equity capital in financing investment and operating companies. Because of the difficulty in measuring IOS so proxied by using variables that are relevant to this study, namely (a) the development of the company's assets between time, (b) capital expenditures from time to time, and (c) the level of investment to-earnings ratio, or net income. The third variable is a proxy of the

ISO will be used interchangeably in the analyzes in addition to using other independent variables in the statistical analysis or regression.

External factors described by the influence pengan return variable market as measured by the change from time to time in the stock price index or CSPI. Changes in JCI, comprehensively represents the market for therein has been covering the entire stock market transactions in the capital market. The stock price changes vary depending on the type of business and industry in relation to the external environment. In the case of the downward trend in stock index shows that the value of companies in general has decreased, whereas if the changes are likely to increase the vaue company in general has improved.

Main problem

Based on the above description, then that becomes a problem in this research is how much influence the variable Investment Opportunity Set or IOS, levels of leverage and market return to changes in the company's stock return is observed.

To facilitate the generalization or compare one company with another company, the price of shares in the proxy into the stock return is the difference between the stock price at a certain period of share price the previous period (R_i).

It is also used to facilitate comparison of JCI then used proxies return the difference between the market or a particular stock index JCI peruiode previous period (R_m).

While IOS variables are difficult to measure, so use proxies that are relevant to this study, the variable pertumbuhan assets, capital expenditure variables, and variable levels of investment comparison to earnings or net income. The IOS three variables are used interchangeably in the regression equation together with the other independent variables, then dibandingkan results.

Research objectives

The purpose of this study to define the independent variables influence the amount IOS, variable levels of leverage and Return to return stock market in the Indonesia Stock Exchange. It this research into useful information for invetor, owner of the company or shareholders, and the company's management in making decisions related to fluctuations in stock prices and the independent variables that affect it. Through this study helpful in the development of science, khususnya in the analysis of stock returns of companies listed on the Indonesia Stock Exchange.

LITERATURE REVIEW AND RESEARCH hypothesis

From a literature review found that the relevant theory or research-related issues, it is the Agency theory and Signalling theory. Linkage to serve targeted theory can be seen dependent variable return stock or investment as R_i and independent variables opportunity set or IOS, the level of leverage and market returns. Therefore, it is in early studies both theories in addition to the other theory is used as the basic theory in variable selection, variable measurement and analysis of research results.

This study specifically wanted to analyze the stock returns as measured by changes in the company's stock price between time. Stock price fluctuations are determined by

kekuatan attraction between demand and supply of shares in the capital market or the so-called market mechanisms. The share price increase is an indication of the increasing value of the company, and this is the main goal owners or shareholders or principal as the Agency theory which will be presented in the following discussion.

Fluctuations in the stock market mechanism ultimately formed because the decision investor in the market buying or selling a particular stock, which in its decision not only see statistics perusahaan past and condition of the company today, but also the decision of the purchase or sale of these shares for analyzing signals related to the future prospects will happen with regard to the company's performance.

Signal used by the investor in the decision to purchase or sale of shares of companies that also affect the company's stock price fluctuations are referred to as signaling theory to be presented in the following discussion.

Variables used in this research and its relevance to the theory or the results of previous studies presented in succession, namely (a) the stock return or R_i in connection with agency theory, signaling theory, and the results of previous studies, (b) the independent variable IOS association with the concept of applications and previous research, (c) the level of leverage that has long been used in the literature and previous studies, and (d) return market or R_m , used in the concept of capital asset pricing model or CAPM and several previous studies that use this variable in the analysis wider use of arbitrage pricing theory, or APT.

Furthermore, in connection with the theory and research results first, then formulated the hypothesis of the study on each of the independent variables as noted below.

Stock Return (R_i)

Value perusahaan as expected the principal among others reflected in the share price between the time that the change is referred to as the stock return or R_i . In achieving nilai company, a conflict of interest between principal and agent as the agency theory. Internal management measures that give a positive signal about the company's prospects as in the signaling theory, will encourage investors to take decisions that can affect stock prices tend meningkat return.

Several previous studies that dilakukan by Assagaf (2015), Wibowo (2013), Ibrahim, Gul, Mudassar, Nawz, Sanaullah (2012), and Grace (2009), placing the stock return or R_i as the dependent variable.

Return or profit is perbandingan Anantara investasi income by the amount of the costs incurred for these investments. Investors expect the highest returns with minimal risk.

In general, the level of stock returns are calculated based on the difference between the capital gains with capital loss. To calculate capital gain or capital loss, then the percentage of return saham obtained from the difference between the price of shares in a period (period t) with the price of the shares of the previous period (period $t-1$), and then divided by the stock price the previous period (period $t-1$),

The cornerstone of the theory underlying this analysis as described above is Signalling theory Agency theory and briefly recounted below.

Agency Theory

The company aims to maximize the value that can be measured in other ways with the company's stock price. In achieving these objectives the company managers have conflicting objectives with shareholders' objectives. The manager wants memaksimalkan receipt of compensation, while shareholders want to maximize dividend income or earnings per share Pershare. The contradiction is what causes konflik between shareholders to the manager mentioned as agency theory. The agency theory developed by Michael C. Jensen and William H. Meckling 1976 (Wibowo, 2013), in which the manager as agent and shareholders as the owner or principal.

The owner company expects to managers as agents perform their duties to support the interests of shareholders. For that principal delegate certain authority to the agent.

In order for the task accomplished as expected principal agent, it must be compensated accompanied by supervision through various means such as financial audit, restrictions to the decision taken by the agent, and the agreement or binding. Event raises the cost of supervision on the part of the principal or owner who called the agency cost.

Agency fees are generally classified into four groups as Sundjaja Barlian, 2002 (Wibowo, 2013), namely (a) the opportunity cost or the opportunity costs of lost opportunities that benefited from this opportunity to respond to new difficulties or opportunities. (B) biaya supervision, yaitu Biaya issued to oversee operations and prevent management perform a behavior contrary * with the interests of shareholders, such as audit fees. (C) costs of preparing management competencies which are intended to compensate the managers in order to act in the best for shareholders, and provide compensation to the management for his actions. (D) the cost of protection is intended to protect the occurrence of fraud in the management of expenses under on third parties.

Signalling Theory

Miller-Modigliani or MM assumes that investors have the same information with internal enterprise managers about the prospects of the company, but in fact in economics and finance shows that internal managers have better information and more up to date about the condition of the company than investors as in Muhayatsyah (2006). Thus the conditions of asymmetric information impacting the part of investors in assessing the condition of the company, especially with regard to the value of the company. Given these conditions then generally results in low ratings on the stock investor companies mentioned as a pooling equilibrium, because the company's assessed pool for the entire company, which resulted in the company of high nilai integrated with a company whose value is low.

Signaling theory assumes that the information obtained by each party is not the same, which means that signaling theory associated with asymmetric information. In this case the manager of the company must provide financial statements and the informasi signal to all interested parties as users of financial statements.

The signal consists of various aspects of antara others what has been done by the management company to meet the interests of shareholders, various other information such as the condition of the company is now better than in the past, and future prospects will be

further increased through information financial projections are based on a term strategic planning long company.

The reported profit companies that increasingly will give a good signal, or good news but instead when profit decreased then a signal generated from the financial statements is spotty or bad news.

Specifically in relation to the accounting policy of conservatism, then the manager of the company must provide such information because it prevents companies accounting discretion to exaggerate profits, be careful and help the users of financial statements to inform earnings and assets not overstate.

In the concept of leverage provides a signal to investors about the actions of management in view of the company's prospects. If the prospect of a profitable company, the management to avoid the sale of shares, whereas in unfavorable conditions would make the sale of shares.

The theory of this signal helps the parties to avoid the asymmetric information, and present the financial statements of quality, so that the parties concerned mayakini the relevance and reliability of financial information submitted by the company. Disinilh the importance of an independent party opinions give an opinion on the financial statements presented by the manager of the company. If this happens, then the quality of financial informasim will affect decisions stock investors on the stock exchange because it is supported by signals about future prospects of the company are coming.

This theory relates to changes in stock prices or stock returns of companies due to the level of investor decisions, among others influenced by signals that occur in the company's internal and external signals that affect the company's prospects in the future.

Investment opportunity set (IOS)

Investment Opportunity Set or IOS as Myers (1997) in Hidayah (2015), is an investment decision on the various assets and alternative investments in the future based on the net present value or net present value that would affect the value of the company.

While Gaver (1993) in Hidayah (2015) argued that the value of the company is affected by the amount of expenditures that come in the future at the moment is still the alternative investments that will generate decent returns coming future.

But in general it can be stated that the IOS shows the opportunitysuatu prospects as an investment, though heavily influenced by the level of expenditure eligibility to produce future benefits coming.

Furthermore, it is stated that IOS difficult to observe because it is a latent or invisible varaibel significantly, but the indication can be seen through a proxy on certain variables that may be associated with other variables in the company's operations.

Various variations are often used as a proxy for IOS, depending on the type of industry and business sectors that are supported by the availability of information or data. Proxies are often used include price-based proxies or proxy IOS based on price; investment-based proxies or proxy IOS based investment; and variance measures or proxies IOS based variants.

Several previous studies using this variable as an independent variable for mengalisis influence on stock returns and nilai companies as practiced by Wibowo (2013); Anugrah (2009); Hidayah (2015); Wulandari (2010); Rosdini (2009); and Martani (2007).

IOS variable usage as an independent variable is also used to measure its impact on other dependent variables such as dividend policy, the cost of equity capital and earnings management, which among other things made by Ayu (2013); Daughter (2012); Martazela, Marletza (2010); Ahmad (2009); Nofi, Zahro (2009); Herminingsih (2012); and Assih, Baridwan, Kusuma, Gudono (2006).

IOS proxy used in this study presented at the methodology and measurement variables, which consists of (a) the growth of total assets or X1_TAG; (B) capital expenditure or X2_CAPBVA; and (c) of the total investment earnings or X3_ITE.

Each proxy variables The IOS is used interchangeably with other independent variables to measure influence on stock return or R_i . Based on the description above, the hypothesis formulated in this empirically-1 consists of the hypothesis, the hypothesis-2 and hpotesis-3 as follows:

H1: The growth of total assets a positive effect on stock returns

H2: Capital expenditures positive effect on stock returns

H3: Investments to total earning positive effect on stock returns

The level of leverage (X4_DTA)

Leverage as Sudarmaji and Sularto (2007) in Zahro (2009) suggested as a measure of the amount of assets financed with debt, instead of shareholders or investors. Meaning that the leverage describes the use of debt rather than use their own capital, so that can know the magnitude of the company's obligation to the other party, as well as the ability of the company meet its financial obligations that are fixed load, and determine the ratio between fixed assets with own capital. Leverage increases will have an impact on the increased stock returns, whereas if the leverage to decrease the stock return will also decrease. Berkaita stock returns and the constant load, it can be separated between operating leverage and financial leverage.

Illustrates the operating leverage of operating expenses are fixed costs such as depreciation, production costs and marketing costs, so the company uses fixed load in a high proportion can be stated that the company has the degree of leverage or DOL operation is steeper. DOL high but has no effect when offset by sales and cost structure constant. DOL formulated as prosentanse change intrest and earnings before taxes, or EBIT divided by the percentage change in sales.

Financial leverage, as Martono and Harjito (2003) in Zahro (2009) states the use of funds with fixed load to obtain Pershare earnings or EPS higher. The high fixed load indicates high use of debt, so it can be stated that the company has the leverage or the degree of financial leverage or DFL high. This has implications for earnings Pershare, as formulations DFL ie the percentage change in EPS divided by the percentage change in EBIT. This means also that the DFL as the effect of changes in EBIT.

The implications that arise in the use of debt leverage is then shareholders can retain control over the company; creditors look at equities as a benchmark that a higher portion of its own capital, the smaller the risk of creditors, so conversely the smaller the portion of equity capital, the higher the risk of creditors; if the company's earnings from the investment with debt, then the rate of return on equity, or ROE increased.

Formulations level of leverage used in this study, presented in motodelogi on the measurement variable. Pursuant to the above description, the hypothesis formulated in this study, namely:

H4: The level of corporate leverage and significant positive effect on stock returns

Return Market (X5_Rm)

In the concept of Capital Asset Pricing Model, or CAPM as told Brigham and Daves (2007) in Assagaf (2015) that return Rm market or used as independent variables and integrated with risk free return or Rf to measure the impact on stock returns or Ri. Rm variables derived from the movement of the stock price index or CSPI between corresponding time period of observation.

JCI is a portrait ndikator capital market performance in Indonesia or the Indonesian Stock Exchange (BEI) as also reported by the stock exchanges in different countries. JCI has fluctuated appropriate economic conditions that affect the performance and prospects of the industry or the business of the companies listed on the Stock Exchange, as JCI is an index based on the price of the entire company's stock traded on the exchange.

When economic conditions improve, the trend is likely to increase batau bullish stock index, otherwise if economic conditions worsen, the trend tends to decline or bearish JCI. This is why JCI to the attention of stakeholders, especially investors and company management.

The investor will take buy or sell positions in order to obtain a certain return, while the management of interest especially when planning new emission for expansion.

Previous studies have used market return or Rm and its effect on stock returns or Ri among others by: Assagaf (2015); Ibrahim; Gull, Mudassar, Nawaz, Sanaullah (2012); and Pasaribu (2010).

Rm variable measurement as used in the previous study, formulated in the discussion of the methodology of measurement variables. Based on the above description, the hypothesis-5 is expressed in the link between market return veariabel independent and dependent variable stock return, namely:

H5: Return market-based changes in the stock price index positive and significant effect on stock returns.

research Accomplished

Hasl Based on the previous studies mentioned above, the following was stated mapping some previous research in the 2006-2015 timeframe, as in the following table,

which describes the use of variables that are relevant to this study. From the research, there are similarities to certain variables, but overall the variables used in this study there is a difference between one another. This is mainly due to the differences in context and research problems respectively, despite the similarity of one of the variables it uses.

Tabel 1. Accounting and Finance Studies

No	Author	Year	Devendent Variable	Independent Variable
1	Wibowo	2013	- Return Saham	- Investment Opportunity Set (IOS) - Employee stock option (ESOP), Sebagai variabel intervening
2	Anugrah	2009	- Return Saham	- IOS - Profitabilitas
3	Aminullah Assagaf	2015	- Return of share required by securities i (Ri)	- Market return or Return market (Rm) - Risk-free return or return free risk (Rf)
4	Ibrahim, Gul, Mudassar, Nawaz, Sanaullah	2012	- Required rate of return on security (Rj)	- Average return on market portfolio (Rm) - Risk free rate of return (Rf)
5	Pasaribu	2010	- Nilai rata-rata return portofolio (Ri)	- Return portofolio pasar (Rm) - Risk free rate (Rf)
6	Hidayah	2015	- Nilai Perusahaan	- IOS - Kepemilikan mnajerial
7	Wulandari	2010	- Nilai perusahaan	- IOS - Dividen payment ratio - ROE
8	Rosdini	2009	- Earning quality and firm value	- IOS - Corporate govenance
9	Martani	2007	- Value of the firm	- IOS - Kontrak kompensasi - CSR (moderating variable)
10	Ayu	2013	- Kebijakan dividen	- IOS - Profitabilitas
11	Putri	2012	- Kebijakan dividen	- IOS - Kebijakan utang - Ukuran perusahaan
12	Martazela, Marletza	2010	- Cash dividend policy	- IOS - Profitability
13	Ahmad	2009	- Kebijakan dividen tunai	- IOS - IOS - Profitabilitas
14	Nofi, Zahro	2009	- Kebijakan dividen dan leverage	- IOS
15	Herminingsih	2012	- Cost of equity capital	- IOS - Disclosure (sebagai variabel moderasi)
16	Assih, Baridwan, Kusuma, Gudono	2006	- Incentive and earning management	- IOS

The variables of this study are also used in the earlier study, which is (a) a variable return stock or Ri, used in research Wibowo (2013); Anugrah (2009); Assagaf (2015); Ibrahim Gul, Mudassar, Nawaz, Sanaullah (2012). (B) The independent variable investment opportunity or IOS (TAG, CAPBVA, ITE) used in the study Wibowo (2013); Anugrah (2009); Hidayan (2015); Wulandari (2010); Rosdini (2009); Martani (2007); Ayu (2013); Daughter (2012); Martazela, Marlessa (2010); Ahmad (2009); Nofi, Zahro (2009); Herminingsih (2012); Asih, Baridwan, Kusuma, Gudono (2006). (C) The variable leverage or contribute the amount of debt used to finance asset or DTA, used in research Nofi,

Zahro (2009). (D) Variable return market is illustrated by changes in the stock price index between the time or Rm, used in research Assagaf (2015; Ibrahim Gul, Mudassar, Nawaz, Sanaullah (2012); Pasaribu (2010).

RESEARCH AND METHODOLOGY

Research data

The data used is a listed company as the company LQ 45 for the period August 2015 until January 2016, by selecting the companies listed on the Indonesia Stock Exchange since the period of 2003, with a view to analyze for mutations in 10 years, or until 2014. Movements observation that see the changes between the periods with the previous period, so it can take 11 years. However, because keterbatasan financial statement or information provided over the past ten years or 2005-2014, so that the data dioleh for the purposes of this analysis was 9 years old mutation financial statements, but does not diminish the interest of analysis for the period has been qualified as time series data to obtain a picture of the relationship between the dependent variable with the independent variable.

Table 2. FINANCIAL POSITION, December 31, 2014 (in millions of Rupiah)

No.	Emiten	Code	Total Assets	Total Liabilities	Net Income	Closing Price (Rp)
1	Astra Agro Lestari	AALI	18.558.329	7.138.923	2.621.275	24.250
2	AKR Corporindo	AKRA	14.791.917	9.401.409	790.563	4.120
3	Astra International	ASII	236.029.000	140.418.000	22.125.000	7.425
4	Global Mediacom	BMTR	25.365.211	14.093.497	1.290.008	1.425
5	Charoen Pokphand Indonesia	CPIN	20.862.439	9.936.736	1.746.644	3.780
6	Gudang Garam	GGRM	58.220.600	25.127.253	5.395.293	60.700
7	Vale Indonesia	INCO	2.334	549	172	3.625
8	Indocement Tunggal Prakarsa	INTP	28.884.973	4.100.172	5.274.009	25.000
9	Kalbe Farma	KLBF	12.425.032	3.043.009	2.121.091	1.830
10	Lippo Karawaci	LPKR	37.761.221	22.156.048	3.135.216	1.020
11	Matahari Department Store	LPPF	3.408.372	3.230.782	1.419.118	15.000
12	Perush Perkb Londn Sumtr Indo	LSIP	8.655.146	1.436.244	916.695	1.890
13	Matahari Putra Prima	MPPA	5.827.294	2.978.638	554.017	3.050
14	Perusahaan Gas Negara (Persero)	PGAS	6.215	3.448	748	6.000
15	Bukit Asam (Persero)	PTBA	14.812.023	6.258.412	2.019.214	12.500
16	Pakuwon Jati	PWON	16.770.743	10.597.667	2.599.141	515
17	Surya Citra Media	SCMA	4.728.436	1.282.670	1.448.274	3.500
18	Summarecon Agung	SMRA	15.379.479	9.882.612	1.387.517	1.520
19	United Tractors	UNTR	60.292.031	23.631.818	4.839.970	17.350
20	Unilever Indonesia	UNVR	14.280.670	9.681.888	5.738.523	32.300

Source : Bursa Efek Indonesia (2014)

Choosing a company listed as a category LQ 45, for this reason pling shares are actively traded on the Indonesia Stock Exchange during the period August 2015 - January 2016. Selection of LQ 45 does not diminish the meaning generalization to other Integration, although different levels of sensitivity but a causal relationship between the dependent variable and independent apply generally to companies in the Indonesia Stock Exchange.

Among the companies LQ45 shows that Astra International as the largest perusahaan than other companies with profits reaching 22.1 trillion. This is balanced by the value of assets owned as much as Rp 236 trillion, but total debt reached around Rp 140.4 trillion. From the above data shows that capital expenditure, total assets and the amount of the debt into a strong base to generate return the company. Instead the company that has the value of assets and a relatively small amount of debt illustrates that the rate of return obtained is also very small. In addition to internal factors, namely assets, debt and capital expenditure, the external factors also determine the success of the company better under the industry environment and the macro lingkungan direfleksikan on changes in the stock price index or CSPI expressed by the market return or R_m .

Based on the stock price fluctuations, changes in JCI, the company's internal conditions of the change of assets and debts, then the selected variables considered most relevant to do with changes in the company's stock price on the Stock Exchange.

framework Analysis

Based on these research problems and goals to be achieved, then used an analytical framework sebagaimana illustrated below. Determines the factors that affect stock returns or R_i , then in the following analytical framework used variabel investment opportunity set or IOS, the level of leverage or $X4_DTA$, return or $X5_R_m$ market. Variabel IOS difficult to measure so as proxied by using a variable or $X1_TAG$ asset growth, capital expenditure or $CAPBVA$, and the level of investment for profits or $X3_ITE$.

Selection of independent variables do after studying the relevant theory and comparing the results of previous research. Empirically show that the independent variables used in this study affect the stock return. Therefore, to be tested by selecting the object of the most active research company shares are traded on the Indonesia Stock Exchange, or IDX, or categorized as LQ45. Companies selected as sampel in research is listed since 2004 on the category LQ45 for the period August 2015 until January 2016.

Based on data from the study above, was among the 45 companies most actively traded shares on the periode, it turns out there are only twenty companies that fell into this category. Use of a sample of companies that listed starting in 2004 for consideration periode observations studied during the last ten years. Because it uses the data changes between periods, the observation for ten years of data will be obtained for $n = 9$ to 20 companies, so that the overall number of observations is 180.

The analysis was carried out as a framework of analysis, which consists of (a) an analysis using data keseluruhan, namely 9 period of observation to 20 companies or $n = 180$, (b) analysis of partial, ie each company is analyzed for 9 periods, so that there is a regression equation obtained 60 of the 20 companies that masing one uses 3 regression model.

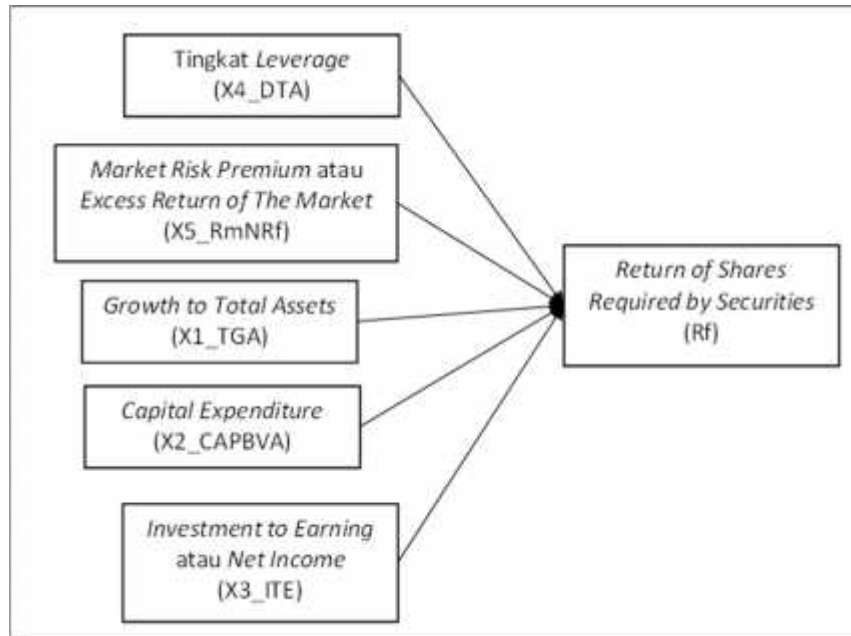


Image: Framework Analysis

Model Analysis

This study used a statistical approach with a linear regression model to analyze the influence of the independent variable investment opportunity set or IOS, the level of leverage or DTA and return R_m market or to return stock or R_i . IOS variables used in this study consisted of (a) a variable asset growth or TAG, (b) a variable capital expenditure or CAPBVA and (c) of the variable investment earnings or ITE. Each variable IOS are used interchangeably in the regression equation along with other independent variables. And specifically used the regression equation that specifically measure the influence of variables and variable leverage or DTA market return or R_m . Therefore, the regression model used consists of four equations, namely:

Model 1

The regression equation, using IOS variables that proxy for asset growth or TAG, as follows:

$$R_i = b_0 + b_1 X1_TAG + b_4 X4_DTA + b_5 X5_Rm + e \dots \dots \dots (1)$$

Where :

R_i : return stock

$X1_TAG$: asset growth

$X4_DTA$: the level of leverage

$X5_Rm$: return market

e : error

b0: constants

b1 b4: coefficient directions

Model 2

The regression equation, using IOS variables that proxy for capital expenditure, as follows:

$$R_i = b_0 + b_2 X2_CAPBVA + b_4 X4_DTA + b_5 X5_Rm + e \dots \dots \dots (2)$$

Where :

X2_CAPBVA: capital expenditure

Model 3

The regression equation, using IOS variables that proxy for investment to net income as follows:

$$R_i = b_0 + b_3 X3_ITE + b_4 X4_DTA + b_5 X5_Rm + e \dots \dots \dots (3)$$

Where :

X3_ITE: Investment on net income

Model 4

The regression equation, specifically using the independent variable degree of leverage or DTA and return market or Rm as follows:

$$R_i = b_0 + b_4 X4_DTA + b_5 X5_Rm + e \dots \dots \dots (4)$$

Regression model is used to analyzed data overall study (n = 180) using model 1 Samai model 4. While the analysis of partial data using model 1 up to 3 models with observations 9 period against 20 companies, so that this partial analysis obtained 60 equation regression.

measurement variable

Return stock (R_i) was measured with a formula, namely: the stock price a particular period or P (t) minus the stock price prior periods or P (t-1) earlier, then divided by the share price of the period (t-1) or:

$$R = \frac{P(t) - P(t-1)}{P(t-1)}$$

Measurement variable stock return (R_i)

The use of variable stock return (R_i) mainly because of the ease to compare one company with another company. When using stock prices, it is difficult to generalize

because there used to stock prices is difficult to compare with each other. But by using stock returns or-gap between the stock price minus the stock price period t period t-1, then divided by the stock price period t-1, so it can dieneralisasi and compared between companies in the capital market despite the different price levels (Assagaf, 2015). This study used similar formulations to measure stock returns, namely:

$$R_i = \frac{P(t) - P(t-1)}{P(t-1)} \dots\dots\dots (5)$$

Where R_i is the stock return, $P_i(t)$ is the share price of the observation period and $P_i(t-1)$ is the stock price of the previous period.

Measurement Variable IOS

Variable investment opportunity set or IOS proxied by using six variables that are grouped as a proxy for the price-based and proxy-based investment, as was done by Kumalahadi (2004) and Hartono (199) in Hermaningsih (2012). IOS-based proxy price consists of (a) market-to-book ratio of total assets or the market value of assets on its book value or (the book value of debt + market value of shares outstanding) divided by total assets; (B) market-to-book ratio of total equity or market value of equity to book value (the market value of shares outstanding divided by total equity); (C) the price earning ratio (PER), or the ratio of stock price to earnings per share (market price per share divided by earnings per share). Proxi IOS-based investment consists of (a) investment to sales or the ratio of investment to sales (total tangible fixed assets divided by net sales); (B) investment to earnings or investments to earnings ratio (total assets divided by tangible net income); (C) investment to total assets or capital expenditure ratio of the book value of total assets (changes in fixed assets divided by total book value of assets).

The use of proxy IOS conducted by Gaver (1993); Jones and Sharma (2001); Kallapur and Trombley (2001); and Hidayah (2015) as the Hidayah (2015) consists of three groups include price-based proxie, investment-based proxie, and variance measure. Each group consisted of some kind of proxy measurements.

Proxy IOS based on price or price-based proxie is a ratio that illustrates owned assets and the market value of the company, which teridir of (a) market-to-book assets which reflect pertum harbor company which is expressed in market prices (total assets minus total equity plus the market value shares outstanding) divided by total assets. (B) market to book value of equity reflecting that the market assesses future return on investment is greater than the expected return on equity (total assets minus total equity plus the market value of shares outstanding) divided by total equity. (C) Tobinn's Q2, reflecting the market value of the company is divided replacement cost of the assets of the company (market value of shares outstanding plus the total debt plus current assets minus inventory) divided by total assets of the company. (D) earnings to price, which shows the average profit share to the market price per strip (earnings or earnings per share divided by the price per strip Pershare on closing). (E) return on equity, reflecting the company's ability to increase its profit by using its own mdal (net income divided by total equity).

IOS proxy based investment shows that companies that have a high IOS should have a high investment in the form of assets for a relatively long period. Or it can be stated that an operating result generated by the assets have been invested, so the proxy IOS diformulasikan as follows: (a) capital expenditure to book value of assets that show the flow of additional capital pemlik for additional assets productive, which means there is potential to increase the growth of the value of the company, formulated as (the book value of fixed assets reduced period t book value of fixed assets of period t-1) divided by total assets. (B) capital expenditure-to-market value of assets, showing the increase of fixed assets or (fixed assets minus fixed assets period period t t-1) divided by (total assets minus total equity plus the market value of shares outstanding). (C) investment to net sales, showedthe use of capital for investment which is reflected in the book value of fixed assets such as gross property, plant and equipment associated positively with IOS high value of a company which is formulated as (Investment divided by net sales).

IOS-based proxy variant or variance measures, using size variability to estimate the magnitude of growth, such as return variability which is the basis of the increase in assets. The ratio used in this proxy is the variance of returns and beta assets.

Martani (2007) using proxy variables IOS based pertumbuhan Total Asset Company (Total assets at period t / Total assets at period t-1) and by growth in fixed assets (fixed assets in the period t / fixed assets in period t-1).

Based on the hypothesis and the references mentioned above, then dnature of this study used measurements of IOS with proxy based on the investment in accordance relevance of the observation of the stock returns of the most actively traded on the Indonesia Stock Exchange listed since 2004 were categorized as companies in the group LQ45 period of 6 months or August 2015 until January 2016.

Selection of companies in LQ 45 is listed since 2004, because of financial considerations report observations over the last ten years, namely 2005 - 2014. Listed in 2004 can be observed in effective after the next period starting in 2005.

To measure stock returns in 2005 can be measured by the difference between the stock price in 2006 with the previous year aau 2005. Thus, in this study there are 9 observation period for the years 2005 - 2014. Measurement of IOS variable in this study is formulated as in:

- (a) The growth of total assets (X1_TAG) companies measured by the formula, namely: Total Asset period (t) minus the Total Assets of the period (t-1) or the previous period, and then divided by Total Assets period (t-1) or:

$$X1_TAG = \frac{T(t) - T(t-1)}{T(t-1)} \dots\dots\dots (6)$$

- (b) Measurement of variable capital expenditure (X2_CAPBVA) obtained from changes in fixed assets divided by total assets, or by the following formula:

$$X2_CAPBVA = \frac{A_t - A_{t-1}}{A_t} \dots\dots\dots (7)$$

(c) Variable measurement of investment to total earnings (X3_ITE) obtained from the comparison between the value of the investment or the total assets divided by net income, or with a formula like this: the

$$X3_ITE = \frac{I_t}{a_t} \dots\dots\dots (8)$$

Measurement leverage level variables (X4_DTA)

Leverage indicates an indicator of the use of debt used in the company's capital structure. The higher use of debt in the capital structure of the company, financial leverage will also be higher. Thus sebaliknya, the lower the use of debt in its capital structure, the more rendah also leverage keuangannya. Measurement of financial leverage (Brigham, Daves, 2002, and Herminingsih, 2012) formulated: (a) debt to total assets or total liabilities divided by total assets, and (b) total debt to equity ratio or long-term debt divided by equity.

In this study, the measurement of variable levels of leverage (X4_DTA) is formulated as follows:

$$X4_DTA = \frac{T}{D} \dots\dots\dots (9)$$

Where, total debt consists of current debt and panang-term debt recorded in the financial statements by the end of the year. Total assets consist of current assets and non-current assets in the same period.

Measurement of market return variable (X5_Rm)

In the concept of capital asset pricing model was used variable Rm return to mempreksi market or stock returns. Measurement of market return variable formulated as JCI period t minus JCI period t-1, then divided JCI period t-1. JCI is a composite index based on the stock price at the close of the stock market in Indonesia Stock Exchange at the end of the observation period (Assagaf, 2015). CSPI reflect the general condition of changes occurring on stock prices of companies listed on the Indonesian Stock Exchange, so this JCI indicators into one variable that off is by investors in mempriksi stock returns. Therefore, the composite index is used as independent variables used to estimate the price of the stock or stock returns. This study used a measurement formula mentioned above, namely:

$$X5_Rm = \frac{JCI_t - JCI_{t-1}}{JCI_{t-1}} \dots\dots\dots (10)$$

RESULT AND DISCUSSION

Based on the problems and hypotheses of this study, the data obtained will be analyzed as a whole company into sampel this study with the number of observations of 180 consisting of 20 companies within the group of companies that are categorized as LQ45 period August 2015 - January 2016.

The determination is based on a sample of 20 periods ranging from 2004 listed separately meet the number of observations as much as 10 years (2005 -2014) with mutations between periods of 9 years. To be more specific for each company off is, then dilakukan partial analysis of each company were observed using model 1, model 2 and model 3 may be variations between koefiseien and trends of the relationship between these variables.

A. The overall analysis

In the first stage used models 1 to 4 models to analyze the overall effect of the independent variable ISO, the level of leverage and return the market to the stock retirn following bleak.

(1) Regression equations - Model 1

$$R_i = b_0 + b_1 X1_TAG + b_4 X4_DTA + b_5 X5_Rm + e$$

By using a regression equation model 1 and based on data obtained from this study, the simulation results obtained as SPSS in Table Model Summary, ANOVA and Coefficicnts below.

Model Summary				
Model	R	R Square	Adjusted R Square	Estimate
1	,279 ^a	,078	,062	,33605

a. Predictors: (Constant), X1_TAG, X4_DTA, X5_Rm

Adjusted R Square of 0.078 relatively small which indicates that this regression is not patterned linearly because the behavior of the stock market is not only influenced by the company's fundamentals but is strongly influenced by external conditions. Even in the causal relationship there are a large number of risks faced by the investor-oriented stocks gain or speculation opportunity to earn the price difference transaction dipiih shares. Uncertainty is difficult to predict in a linear fashion, and the estimation results obtained from the regression model illustrates that linearly only mempu these phenomena closer to reality or about 7.8% due to fluctuations in share prices on the stock exchange is not only determined by internal conditions in Indonesia but also affected by macroeconomic conditions that occur other countries, like the United States and others. Market conditions also influenced by non-economic condition of bleak political, monetary policy, leamanan, natural disasters, social relationships and other information developed in the community which is predicted to affect the business environment and industry.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1,677	3	,559	4,950	,003 ^b
	Residual	19,875	176	,113		
	Total	21,552	179			

a. Dependent Variable: Y

b. Predictors: (Constant), X1_TAG, X4_DTA, X5_Rm

In the relationship between a dependent variable return stock with IOS independent variable, leverage and return market simultaneously significant particularly a great relationship, as the table ANOVA or analysis of variance with statistical values $F = 4.95$ and level $\text{sig} = 0.003$ or 0.3%. From figure residual mentioned above indicate the existence of market behavior beyond the observed variables that affect the level of market return, that reflects the amount of risk that must be considered by decision-makers in determining the choice of investing in stocks, so the technical analysis and fundamental analysis needs to be supported again by the analysis of risk with regard external opportunities and threats that affect the company's performance and detected by the market that could affect the company's stock price fluctuations. Statistically they relate to the residual amount of the adjusted R Square or adj-R2 in Table Model Summary. The R2 is formulated with: "A minus (Sum of Squares divided Residual Total Sum of Squares)" or:

$$R \text{ Square} = 1 - \frac{S_{\text{Residual}}}{S_{\text{Total}}}$$

The results obtained according to the formulations and Table Model Summary, namely:

$$R \text{ Square} = 1 - (19.875 / 21.552) = 0.078$$

Based on residual formulation linkages and R2 shows that the amount of residual height will reduce the amount of R2. Residual obtained from the sum e_i^2 , where $e_i = (Y_i - Y_i \text{ estimate})$. With this formula, the residual high as the results of this study are automatically meperkecil value of R2. Residual high that reflects the magnitude of the difference between the result data pengatan dependent variable with dependent variable estimates in accordance hasilperkalian between observational data regression equation with independent variables.

The grounds of measurement accuracy, then adjustments formulations R2 or adjusted R Square (adjusted-R2) with the formula:

$$A \quad R S = 1 - \frac{(1 - R^2)(n - 1)}{(n - k - 1)}$$

The results obtained according to the formulations and Table Model Summary, namely:

$$\text{Adjusted R Square} = 1 - \{(1 - 0.077) (180 - 1) / (180 - 3 - 1)\} = 0.062$$

In relation to the significance the relationship between independent variables (X_i) with dependent variable (Y_i) is characterized by a statistical test F exhibited significantly, it can be explained that F calculated based on the formula: "Mean square regression or average quadratic regression" divided by "mean square residual or average of squared errors or residual" or:

$$F_{hitung} = \frac{M_{square} \text{ regression}}{M_{square} \text{ residual}}$$

The results obtained in accordance formulation and ANOVA tables, namely:

$$F\text{-count} = 0,559 / 0,113 = 4.95$$

So that the residual amount or the sum of the square which is high does not necessarily produce F count is low, but it depends on the size of the average quadratic regression and the average squared residuals. In this study turned out to be an average quadratic regression relatively high enough to produce F count larger or very significant, which means that the overall independent variables significantly influence the dependent variable. Furthermore, ANOVA table shows that the F count obtained sig level of 0.003 which means that the effect of simultaneous independent variable on the dependent variable or stock return is very significant at a 0.01% error rate.

Furthermore, the partial level of significance of the effect of each independent variable on the dependent variable or stock returns are reflected in the statistical test t or t-count as the table coefficients. The statistical test formulated by the quotient between "Unstandardize coefficients B" with "Std.Error" respectively independent variable, or:

$$t_{hitung} = \frac{U \text{ Coefficient } B}{S . E}$$

Or with combination $t_4 = 0.278 / 0.106 = 2.626$ and so on to $t_5 = t_1 = 2.914$ and -0.420 as in table coefficients SPSS simulation results.

Due to differences in the coefficients and standard errors of each variable, so that a significant relationship between independent variable collectively dependent variable turned out to be different results when viewed in partial or separately between each independent variable on the dependent variable. The results of the study as coefficients table, showed that the only variable X4_DTA and X5_Rm which have a very significant relationship with the dependent variable sig levels respectively 0.009 and 0.004. While variable X1_TAG no significant effect on the dependent variable with the level of 0.675 sig.

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	,186	,063		2,948	,004
X4_DTA	,278	,106	,192	2,626	,009
X5_Rm	,256	,088	,213	2,914	,004
X1_TAG	-,006	,014	-,031	-,420	,675

a. Dependent Variable: Y

The results of calculations with SPSS 22, however, can be written by the following equation:

$$R_i = 0.186 - 0.006 X1_TAG + 0.278 X4_DTA + 0.256 X5_Rm$$

(2.94) (-0.42) (2.62) (2.914)

Variable X1_TAG,

Results obtained from the independent investment variabel opportunity set diproxy with the growth of total assets of the company or X1_TAG, indicating a negative effect on stock returns were observed, but the effect is not significant, as the statistics obtained UJIA t t a relatively small or 0.42 and level sig = 0.675 or 67.5% achieve fault tolerance. This is mainly due to the increase of assets does not directly impact the return of the same period, even add to the burden ivestasi and loan interest expense that affect the rate of return during the period. Added assets perceived benefits, especially in the period to come good in the medium and long term, due to the increase of assets for expansion to obtain the return or the expected results from the addition of these assets, it needs some period in the future for both construction, production, marketing and effectiveness optimal utilization of expansion capacity. Therefore, secondary market assesses that the asset accretion does not significantly influence the level of return the company changes.

In general, the company observed indicate that the asset changes have a negative effect and no significant effect on the return of the company, but when examined specifically as attachment 1, there is a difference between one company to company depending on the type of business or isdustrinya. The difference occurs at a significance level of asset accretion influence on stock returns, the influence or direction coefficient variabel asset accretion, and the tendency of a negative or positive effect on stock returns of each company. Of the twenty observations of companies in the group LQ 45 turns out there are ten companies that increase their assets negatively affect stock returns, as AALI, AKRA, BMTR, GGRM, INCO, and so on. Ten others, accretion of asset positif effect on stock returns ASII like, CPIN, INTP, KLBF, LPKR, and so on. The influence of the variables change significantly the assets to the stock return PWON occur only in the company, while other companies not significant.

variable X4_DTA

Variabel X4_DTA show tingkat leverage or debt in the composition of the company's operations and investments. This variable regression coefficient of 0.278 with a t statistic of 2.62 or 0.009 sig level or degree of error of 0.09%, which means that the variable X4_DTA has been important in affecting the rate of return the company's shares on the Stock Exchange. This occurs due to the increase of debt and the use of funds for operating activities external advisors and investment will further increase the return that will be owned by its shareholders, because of the greater operating capacity while ownership is not increased.

Conversely if the funding comes from shareholders or the company's internal, then the control stock in increasing numbers, and this means also increasing the number of shares and the profits from the larger but the number of shares owned by more. This is what causes the effect of leverage is very significant and positive influence on stock returns.

Another thing that causes that influence is when the cost of capital debt is lower than the cost of capital stock diproxi with the dividend, the more use of debt will have positive impact on increasing return Pershare, thus responded positif the secondary market which caused the stock price increases or stock return rise.

variable X5_Rm

Variable X5_Rm as the market returns reflect changes JCI measured from the difference between JCI JCI is a period in the previous period. The calculations show regression coefficient = 0.256, t = 2.914 and statisti sig = 0.004 level which means that the variable is very significant effect on stock returns. Improved market returns characterized by increased JCI, then stock returns will increase marked with peningkatan company's stock price on the stock exchange.

Return market or JCI is an accumulation of market valuation of the shares listed on the stock exchange, thus increasing the CSPI indicates that in general the share price. With increasing JCI be an indication for investors to take the decision to utilize the opportunity of increased stock returns.

And for a company that will do the IPO or initial public offering or new emissions, will receive major cash inflow lebh, making it possible to further improve the impact on capacity expansion and the company's ability to produce greater returns, and further strengthen the company's fundamentals.

Conversely, when stock index declined then reurn stock will decrease and this means that investing in the stock market became less attractive, and the company doing the IPO process or the new emission will experience price pressure so that the hard earned cash inflow as planned, and can affect the strategic plan or the expansion of the company.

CSPI reflect general market conditions as the index representing the performance of companies listed on the stock exchange, so that JCI simultaneously indicating economic conditions and Ilim business world. But CSPI also reflects the capital flow in and out of the country for foreign investors also determines mainly because investors include investor with a scale larger than local investors. This is affecting the JCI during an economic crisis in other countries, such as the condition of the American economy weakened characterized

by the decline in the index haraga stock in the country, so investor foreigners in Indonesia simultaneously to sell the shares it owns in Indonesia and then to the US to buy stocks declined, with the belief that the weakening condition of the country's stock price only happen in the short term, and after the normal price or up to its original position, then investors sold back to the return generated.

Furthermore, the sale of shares used to buy stocks that declined on the Indonesian stock exchange, so that JCI increased to reach market equilibrium position. And so on, foreign investors will get returns because the stock price on the stock exchange rose to a higher position than the time of purchase. This is where the importance of JCI variable that reflects market conditions and a reference investor to commit acts of speculation.

(2) The regression equation - Model 2

$$R_i = b_0 + b_2 X2_CAPBVA + b_4 X4_DTA + b_5 X5_Rm + e$$

In this regression equation using variable investent opportunity set or IOS diproxy with capital expenditure to total aasset or X2_CAPBVA, while others remain independent varaibel using X4_DTA or the level of leverage and X5_Rm or return market.

Compared to the previous regression equation the result was consistent with the previous calculation, the coefficient determin or adjusted $R^2 = 0.063$ which means a linear regression model was only able to explain the phenomenon of about 6.3% or contain substantial risks because there are a large number (around 93.7%) phenomena stock return variable change can not be explained by the independent variable. F count = 4,994 with tigtat sig = 0.002, which means that the independent variables together have a very significant relationship with stock return variable. T test each independent variable partial relationship with stock return variable indicates $t_2 = 0.546$ (sig: 0.586) which means that the variable is not significant X_2_CAPBVA effect on stock returns. While $t_4 = 2,527$ (sig: 0,012) and $t_5 = 2.915$ (sig: 0,004) indicates that the variable X_4_DTA and X_5_Rm very significant influence on stock returns.

The regression equation:

$$R_i = 0.201 - 0.555 X2_CAPBVA + 0.266 X4_DTA + 0.254 X5_Rm$$

(3.01) (-0.54)

(2.52)

(2.91)

Varaiebl free X2_CAPBVA was not responded to by changes in stock returns significantly since the stock market that the capital ekspenditure long-term influence on the performance of the company, so that the current stock price is precisely assess capital ekspenditr tend to incur expenses that undermine the performance of the company's profitability, so that trends negative effect though the effect is not significant. When examined partially then the variable is varied effect on stock returns or R_i , depending on the type of business or industry as appendix 4.

Some companies indicate that variable X2_CAPBVA positive influence on Ri such company with the code AALI, CPIN, GGRM, LPKR, etc. which means the increase of capital will increase the return of expenditur. Instead, there are several companies that have shown that these variables negatively affect Ri, which means that the increase of the capital expenditure will lead to deterioration in the level of Ri as the company with the code AKRA, ASII, BMTR, INCO, and so on.

Variable X4_DTA or the level of leverage and market return menunjukkan X5_Rm or consistency as the previous regression equation, ie these two variables affect postifi and very significantly the influence on stock reurn or Ri. It also means that each increment of debt to total asset composition will meningkatkan Ri, mainly due to greater use of debt that will membeikan opportunity for the company to improve profitability and share of profits or dividends received shareholder will increase. Posiif relationship also occurs in reurn market, which means that any increase in JCI will have an impact on increasing Ri, otherwise when a decline in the stock index stock returns would adversely affect the Ri, so it is natural that this variable becomes the focus of attention of investors who speculate in the stock market.

Results of regression calculations presented in the format Model Summary, ANOVA and Coefficients as berikut:

Model Summary

Model	R	R Square	Adjusted R Square	Estimate
1	,280 ^a	,078	,063	,33593

a. Predictors: (Constant), X2_CAPBVA, X5_Rm, X4_DTA

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1,691	3	,564	4,994	,002 ^b
	Residual	19,861	176	,113		
	Total	21,552	179			

a. Dependent Variable: Y

b. Predictors: (Constant), X2_CAPBVA, X5_Rm, X4_DTA

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,201	,067		3,014	,003
	X4_DTA	,266	,105	,184	2,527	,012
	X5_Rm	,254	,087	,212	2,915	,004
	X2_CAPBVA	-,555	1,016	-,040	-,546	,586

a. Dependent Variable: Y

(3) The regression equation - Model 3

$$Ri = b0 + b3 X3_ITE + b4 X4_DTA + b5 X5_Rm + e$$

Variable investment opportunity set or IOS diproxi the comparison between investment with earnings or $X3_ITE$, where investment is measured by the year-end total assets and earnings is net earned laba until the end of the year. This variable describes the strength of the investment companies that have business with the scale of a particular asset is able to earn a sustainable profitability and compete in similar industries. One of the strengths required in the competition between companies in similar industries is the ownership of business scale and capacity to outperform other companies, so the scale is capable of achieving optimal tingkat or economies of scale that produce products or services with the minimum cost compared to other companies.

In the short term ownership of the assets may not have been visible contribution in the achievement of profitability, but in the medium and long term the company is able to achieve the level of sustainability, than companies that have assets in the amount or scale of business is limited, will have difficulty in developing a product or service, making it less able to do more production efisien especially when required handling of the production process from upstream to kehiir.

For small-scale enterprises difficult production process efficiently as the company with economies of scale are greater, because smaller companies generally rely on partnerships or dependent on other companies that make the process of production of intermediate goods and pricing conditions fluktuatif, so the failure of a business partnership will the impact on small firms. But with the scale that is large marked with the ownership of assets is increasing, then the company will be able to cope with price fluctuations because irrespective of dependence on other companies, even other companies will be a follower so as to achieve the level of profitabilitas maximum on the conditions of marginal cost equals marginal revenue or a minimum charge on the condition of the marginal cost is equal to average cost. But the company follower difficult to achieve this, as the market leader tend to be controlled by a company with the scale of larger businesses or have the capacity to outperform other companies.

Ownership of assets is also characterized by the use of more advanced technology to improve the quality and kuantitas produksi or services, so it is perceived that the company has larger assets tended to discount the ability to obtain decent profitability. This is the response by the market to assess the company's value by comparing the value of the assets owned by the level of net income.

At the initial stage the company has a greater degree of comparison because the operating capacity has not reached the stage of economies of scale, but in the development of menengah term and long-term will achieve comparable levels of the smaller return rate more rapid than the increase in the company's assets. Unless the company is continuing to develop the capacity primarily to utilize surplus cash flow and use the loan to expand the scale of business or industry. This condition will mengakibatkan comparable levels of assets to profitability is increasing, because the surplus cash flow owned can be used to finance new investments together with the use of the loan with struktur modal 30: 70

which is the capital own 30% and bank financing 70%, so that accumulation demonstrate the value of assets increased far greater than the increase in profitability.

Variable X3_ITE will show a negative influence when companies limit the addition of investment compared to the addition of profitability, but it will be a positive influence on stock returns when companies tend to be aggressive in expanding or take advantage of market opportunities and funding pelung banks or other financial institutions.

This study uses a variable X3_ITE and other independent variable namely X4_DTA and X5_Rm to measuring outcome with the regression equation using IOS Varel is proxied by the independent variable and X2_CAPBVA X1_TAG. The result of the calculation in accordance with the table Coefficients regression equation as follows:

$$R_i = 0.189 - 0.000027 X3_CAPBVA + 0.273 X4_DTA + 0.250 X5_Rm$$

(3.00) (-0.10)
(2.59)
(2.86)

The results of this study found that the variable X3_ITE negative effect on stock returns, which means that the increase of this variable will lower the price of the stock which means that also will reduce the level of company stock returns are concerned. This is according to the conditions empiris that the proportion of the increase of investments or assets to increase net income greater can provide a signal to investors that the company has a condition that has not optimla utilization of its assets, but if this happens in the long run, it can be assumed that the company experienced permasalah efficiency and poor performance. This is the response by the stock market caused market prices to decline and the rate of return is negatively correlated with these independent varaibel. Conversely when the proportion of assets or investments perbandngan to net income then empirically can be stated that the company is in good health because it can produce greater returns than investment gain.

The stock market will respond to further improve investment conditions so demand for shares increases accompanied by increase in the market value of the company's stock. This means also that stock returns are negatively correlated with the increase of independent variables X3 ITE.

In observation in more detail as an attachment 3 was the company faced varying conditions tergantung on Junis business or industry, the scale of its business, managerial elements, customer loyalty and creativity or innovation in business development.

Variations occur mainly in the regression coefficient and a significance level of variables influence X3_ITE to Ri. Variations in spsifik also occurs at the level of the independent variables influence this tendency, namely a positive influence occurs in companies like AKRA, CPIN, INCO, INTP, and others, while the negative effect occurs in companies like AALI, ASIL, BMTR, GGRM, and others.

X4_DTA and X5_Rm independent variables in the regression equation as stated in coefficient table shows that the results are consistent with previous regression equation that is a positive effect on stock returns or R_i , and the effect is very signifkan.

The results showed the coefficient of determination or calculation of the adjusted R Square or $R^2 = 0.061$, which means that the change in the dependent variable Ri can be explained by changes in the independent variable of 6.1%

Model Summary

Model	R	R Square	Adjusted R Square	Estimate
1	,277 ^a	,077	,061	,33620

a. Predictors: (Constant), X3_ITE, X5_Rm, X4_DTA

Pengaruh simultaneous independent variables to dependent variable Ri shows the F-count = 4.891 and sig = 0,003 level, which means that the effect is very significant with an error rate of about 0.3%.

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1,658	3	,553	4,891	,003 ^b
Residual	19,894	176	,113		
Total	21,552	179			

a. Dependent Variable: Y

b. Predictors: (Constant), X3_ITE, X5_Rm, X4_DTA

Partially each independent variable influence on stock returns or Ri showed that variables do not have significant influence X3_ITE with the acquisition of t-count = 0.107 and tingkat sig = 0.915. While other independent variables very significant influence on Ri, respectively for the acquisition X4_DTA t-test = 2.592 and sig = 0.010 and for the acquisition X5_Rm t-test = 2.868 and sig = 0.005.

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1 (Constant)	,189	,063			3,005	,003
X4_DTA	,273	,105	,188		2,592	,010
X5_Rm	,250	,087	,208		2,868	,005
X3_ITE	-2,708E-05	,000	-,008		-,107	,915

a. Dependent Variable: Y

(4) The regression equation - Model 4

$$Ri = b0 + b4 X4_DTA + b5 X5_Rm + e$$

Model see the consistency of the measurement results of regression coefficients, a significance level variabel pengaruh independent of the dependent varial then performed separately between IOS variables with other variables. X4_DTA variables and variables in the equation X5_Rm calculated separately on its own or with a variable ISO.

Results of regression calculation is still relevant and consistent with the calculation in the previous regression equation Coefficients as the table below, which is the independent variable and X5_Rm X4_DTA positive and significant effect on stock return or Ri.

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	,188	,063		3,012	,003
X4_DTA	,272	,105	,188	2,599	,010
X5_Rm	,250	,087	,209	2,891	,004

a. Dependent Variable: Y

According to the table coefficients, the regression equation as follows:

$$R_i = 0.180 + 0.272 X4_DTA + 0.250 X5_Rm$$

(3,01) (2,59) (2,89)

IOS independent variables are used interchangeably, it turns out none of the vzribel significant effect on stock returns or Ri. This means that internal policies for development investment or asset (X1_TAG), adding capital expenditure (X2_CAPBVA) and the ratio of investment to the level of profitability (X3_ITE), did not respond significantly by the stock market.

The stock market is generally formed by the decision of investors who wish to benefit mempeoleh on the gain or the difference in price because of the movement of market prices fluctuate jangka short, so keputusan like this are likely to see the market reaction is described by JCI. Unlike the investors who see the movement on its potential to benefit from the dividend, then the investor's decision to respond to the company's decision in utilizing debt for funding to increase the return of the company. Due to the greater use of debt rather than use their own capital the less number of shareholders who divide the number of returns is increasing. This means that the increasing portion of the use of debt in financing and investment operations, then stock returns will increase. While the investment opportunity set variables tend responded insignificant because these decisions affect menengah term or long-term terhadap return of, for example, the addition of asset or capital expenditure required time to optimize the capacity to increase the return of the company.

B. Analysis partially

The next stage dilakukan individually or separate analysis of each company with model 1 up to 3 models, so it can be explained more specifically each company observed. This is important because the overall analysis of a general nature or generalizations, but the analysis is partially the result varies depending on the type of industry or their respective businesses, although some are likely to approach the result mainly of the significance levels and trends of influence negatively or positively the dependent variable.

(1) The regression equation - Model 1

$$R_i = b_0 + b_1 X1_TAG + b_4 X4_DTA + b_5 X5_Rm + e$$

By using a variable pertubuhan total assets (X1_TAG) as a proxy variable investment opportunity set, the results of each company shows that this variable varied influence on stock return as presented in Table 3. In the company code or Issuer PWON or Pakuwon Jati Tbk, suggest that growth assets signidikan effect on stock returns, because this company as the company propoerti field of real estate, so it is unrealistic to asset growth affect the stock price, and a positive influence.

There are 10 companies or issuers menunjukka that this X1_TAG variable positive effect, and some negative effect, but the effect is not significant. The same thing happened to the variable level of leverage (X4_DTA) and variable market returns (X5_Rm). There are variations in the level of significance of these two variables influence the market return.

For variable X4_DTA only one company a significant effect on stock returns is-coded LPKR or Lippo Karawaci Tbk, which means the increase of debt to total assets have a negative impact on stock returns, so the company should be mengkaji in funding decisions that using the debt if desired stock price no decline in the secondary market. This means also that the financing needs of investment will be more effective to use alternative new emission or issuing new shares compared to the alternative of using debt. X4_DTA variable coefficients vary in inclination effect on stock returns, ie there are eight listed companies showed a positive coefficient or a positive influence on stock returns, and the rest negative effect, but generally do not affect significantly the the dependent variable.

Against X5_Rm variables showed that these variables have a significant effect on stock returns that occurred in five listed companies, while other companies showed that this variable does not have significant influence on stock returns.

A significant influence on the regression coefficient is positive, while others betvariasi between negative and positive coefficient. Overall indicates that this variable positive and significant effect on stock returns, but partially there are variations according to the field of business of each issuer ..

Table 3. Regression Test Result for Equation Model 1 : $Y = f(X1, X4, X5)$
Variable Devendent : Ri

No.	Emiten	Constant	X1_TAG	X4_DTA	X5_Rm	Adj R Sq
1	AALI	0,196	-0,347	0,793	-0,143	,392
2	AKRA	1,484	-0,666	-1,314	0,203	,198
3	ASII	0,903	0,695	-1,452	0,650	,387
4	BMTR	2,150	-3,481	-0,257	0,562	-,190
5	CPIN	-0,097	0,516	0,540	0,457	,191
6	GGRM	1,449	-3,019	0,682	-0,044	-,040
7	INCO	0,337	-0,776	-0,604	0,621 *	,247
8	INTP	-0,030	0,236	1,076	0,288	,385
9	KLBF	0,722	4,061	-4,523	2,364 **	,476
10	LPKR	1,448	0,400	-2,104 *	0,006	,284
11	LPPF	1,013	0,031	0,003	-1,448	-,412
12	LSIP	0,217	1,342	-1,087	0,598 *	,336
13	MPPA	0,840	-0,312	-0,761	0,108	-,121
14	PGAS	0,613	0,308	-0,510	-0,068	-,389
15	PTBA	0,866	-0,663	-1,332	0,156	,103
16	PWON	0,210	0,787 **	-0,319	0,601 *	,478
17	SCMA	0,552	-0,229	-0,795	0,246	,116
18	SMRA	-1,139	-1,308	2,828	0,518	,049
19	UNTR	-0,262	-0,217	1,310	0,500 *	,737
20	UNVR	-0,355	0,954	0,574	0,435	-,096

*** Signiicant at a level of 1 percent

** Signiicant at a level of 5 percent

* Signiicant at a level of 10 percent

(2) The regression equation - Model 2

$$R_i = b_0 + b_2 X2_CAPBVA + b_4 X4_DTA + b_5 X5_Rm + e$$

Variable capital expenditur or X2_CAPBVA as a proxy of investment opportunity or IOS showed that only issuers with PWON code that have significant coefficients influence on stock returns, while others indicate that this variable has no significant effect on stock returns, as presented in Table 4. In general, this is in line with the overall calculation of the variable signifkan X2_CAPBVA no effect on stock returns.

Special issuer PWON or Pakuwon Jati Tbk shows that the variable capital expenditur negative effect on stock returns, because as property companies and real estate, the capital expenditures provide a signal that the level of profitability of the investment would give returns immediately, but need a longer time depending on the ability of marketing and postensi market facing the company. So this variable effects can be positive or negative depending on the usage information such capital expenditures to produce the expected level of profitability investor or shareholder.

X4_DTA tigkat variable leverage or positive effect on stock returns occurred in the six listed companies, which means that the increase of these variables have an impact on increasing the company's stock returns. The opposite occurs in other companies that have a negative coefficient means that the increase of these variables will have an impact on the decline in the company's stock returns. But each of these companies show that that was not exhibited significantly X4_DTA variable effect on stock returns.

Variable X5_Rm menunjukkan that there are three companies that have shown that these variables are positive and significant effect on stock returns. While other companies showed that the variables X5_Rm not significant effect on stock returns

Table 4. Regression Test Result for Equation Model 3 : Y = f (X2, X4, X5)

Variable Devendent : Ri						
No.	Emiten	Constant	X2_CAPBVA	X4_DTA	X5_Rm	Adj R Sq
1	AALI	0,079	9,392	0,741	-0,151	0,199
2	AKRA	1,673	-3,978	-1,836	0,216	-0,167
3	ASII	1,371	-2,563	-1,888	0,513	0,317
4	BMTR	2,014	-3,570	-3,036	-0,009	-0,307
5	CPIN	0,063	1,455	0,523	0,317	0,010
6	GGRM	1,513	0,178	-2,943	-0,105	-0,157
7	INCO	0,366	-6,251	-0,483	0,527 *	0,257
8	INTP	0,148	-5,211	0,869	0,307	0,467
9	KLBF	1,588	-0,484	-5,500	2,067 *	0,366
10	LPKR	1,491	0,340	-2,032	-0,018	0,098
11	LPPF	2,433	-23,129	-0,664	-2,377	-0,187
12	LSIP	0,264	6,056	-0,511	0,418	-0,059
13	MPPA	0,427	4,558	-0,127	-0,097	0,022
14	PGAS	0,680	-3,006	-0,429	-0,078	-0,338
15	PTBA	0,577	6,017	-1,117	0,008	-0,171
16	PWON	-0,034	-23,494 *	0,863	0,547	0,357
17	SCMA	0,528	-0,452	-0,754	0,237	0,026
18	SMRA	-1,349	0,505	2,606	0,487	-0,171
19	UNTR	-0,319	0,725	1,219	0,612 **	0,707
20	UNVR	0,093	9,004	-0,077	0,327	-0,024

*** Signiicant at a level of 1 percent

** Signiicant at a level of 5 percent

* Signiicant at a level of 10 percent

(3) The regression equation - Model 3

$$R_i = b_0 + b_3 X3_ITE + b_4 X4_DTA + b_5 X5_Rm + e$$

Variable ratio of investment to profit or X3_ITE as a proxy variable investment opportunity set or IOS, menunjukkan that there are two companies that have kofisien positive influence signifikan to return stock, the issuer with the code INTP or Indocement and PTBA or Tambang Batu Bara Bukit Asam Tbk , as presented in Table 5. It shows that the increase in variable X3_ITE will cause an increase in the perusahaan stock returns. While issuers linnya indicates that the variable X3_ITE signifkan no influence on the company's stock returns.

Variable X4_DTA menunjukkan that only issuers INTP or initiative Indocement Tbk which has a regression coefficients were significant positive effect on stock returns, while other companies do not have significant influence on stock returns of the company. X4_DTA variable coefficient varies influence on stock returns, especially in terms of positive or negative tendencies. There depalan issuers that have a positive coefficient, while other companies have a negative coefficient, but in general each of these companies indicates that the variable X4_DTA signifkan no effect on stock returns.

Table 5 Regression Test Result for Equation Model 3 : $Y = f(X_3, X_4, X_5)$

Variable Dependent : Ri

No.	Emiten	Constant	X3_ITE	X4_DTA	X5_Rm	Adj R Sq
1	AALI	0,322	-0,252	0,776	-0,117	0,299
2	AKRA	2,275 *	0,069	-3,719	0,273	0,115
3	ASII	0,117	-0,183	1,194	0,530	0,512
4	BMTR	2,476	-0,046	-3,190	-0,049	0,108
5	CPIN	0,406	0,055	-0,936	0,520	0,113
6	GGRM	1,332	-0,017	-2,122	-0,025	-0,092
7	INCO	0,232	0,002	-0,444	0,549 *	0,179
8	INTP	-0,561 **	0,199 **	1,008 **	0,445 ***	0,766
9	KLBF	0,630	0,586	-10,616	2,136 **	0,401
10	LPKR	1,454 *	0,003	-2,032	-0,028	0,103
11	LPPF	0,778	-0,116	0,297	-0,846	-0,454
12	LSIP	0,488	-0,077	-0,524	0,348	-0,052
13	MPPA	1,060	0,000	-1,310	0,175	-0,084
14	PGAS	0,284	-0,089	0,807	-0,447	0,070
15	PTBA	-0,221	0,265 ***	-1,160	0,100	0,671
16	PWON	3,304	-0,123	-4,322	0,566	-0,115
17	SCMA	0,463	-0,013	-0,523	0,316	0,134
18	SMRA	-1,298	-0,022	2,859	0,494	-0,057
19	UNTR	-0,475	0,063	0,859	0,720	0,810
20	UNVR	0,016	0,067	0,113	0,328	-0,133

*** Signiicant at a level of 1 percent

** Signiicant at a level of 5 percent

* Signiicant at a level of 10 percent

Variable X5_Rm positive and significant effect on stock returns occurs in a three-coded INCO, INTP and KLBF which shall mean that changes in market returns would impact the increase in stock returns. While other companies shows that this is not exhibited significantly X5_Rm variable effect on stock returns. This happens because each company has a business character business and internal problems specifically so it is natural when there are varying levels of response to changes in market returns. Generally when examined individually each of these companies shows that the market return variable or X5_Rm insignificant influence on market returns. This occurs due to the phenomenon of changes in stock returns are influenced by many other factors, sebgaimana rate coefficient of determination of each company shows the amount or value adjuster R² is relatively small, which means that the change in the dependent variable Ri can only be explained by changes in the independent variables about the amount of adjusted R². Merskipun some diantarany indicate the amount adjsuted R² relatively large as the issuer with the code ISII, INTP, PTBA, and UNTR.

CONCLUSION AND RECOMMENDATION

Conclusion

Based on your permasalahan and regression analysis results can be summarized as follows:

- Variable investment opportunity set or a proxy IOS in three independent variables are growth assets (X1_TAG), capital expenditure (X2_CAPBVA), and investment towards

earning (X3_ITE). Those variables are used interchangeably in the regression equation along with other independent variables. The results show that these three variables did not significantly impact the impact on stock returns R_i . This occurs due to the growth of assets, capital expenditure or capital expenditure and investment towards earning comparisons less response by investors to make decisions, so as not significant influence on stock prices at the Stock Exchange. Stock returns occurs because of changes in stock prices, while the change in the stock price will fluctuate when changes are independent variables. In case there is no significant relationship as variable IOS then changes up or down does not have a significant impact on stock returns. Decision investors are generally short term to obtain the gain, so that the company's decision in connection with IOS variables that impact the long-term future to come, it is less attractive for investors attention. Investors tend to pay more attention to changes in other variables, because the internal decisions relating IOS variables considered are not necessarily generate decent profitability in the short term.

- b. IOS variables that influence in the proxy as the increase of assets and capital expenditure berpengaruh negatif, because the stock market tends to decline in several companies within the company LQ45 observed, so that the assets and capital expenditure growth turns negative impact and no significant effect on stock returns. This happens, as investors assess the contrary that the company experienced declining performance tends to increase its investment through additional assets or increase the amount of capital expenditure, so that in the short term has not been able to generate returns memadai. In the theory of signaling, such measures provide an indication that the company experienced a decline in performance, so the stock prices or stock returns tend to decrease.
- c. While IOS proxy variables as investment ratio to earnings, negative effect shows that in terms of the profitability of these variables responded negatively, which means getting down the comparison value then return stock will rise. This is because the drop in earnings ratio of investment to provide a signal company more productive or efficient in generating returns. The efficiency because of growth in smaller investment than earnings growth, or at the same level of investment but a greater level of earnings. This variable is negative and not significant influence on changes in stock prices or stock returns.
- d. The variable degree of leverage or X4_DTA positive and significant effect on stock returns. It was evident in the measurement model 1, model 2, model 3 and 4 the results are consistently model almost the same as the model, although used interchangeably IOS variables of each proxy and without the use of proxy variables. Variable levels of leverage gives a signal to potential investors that the company obtained additional loans from banks shows that the company has a viable investment prospects and have been comprehensively analyzed by all relevant parties. In addition, the additional use of debt for investment will increase earnings Pershare because of the level of profitability is only enjoyed by existing shareholders without increasing the number of shareholders.

This is what causes this variable will respond positively and significantly by investors led to changes in stock prices or rising stock returns.

- e. Return to variable market or X5_Rm show consistency effect on stock returns, as the result of the calculation model 1, model, model 3 and 4. The effect of this variable models consistently exhibited significantly positive effect on stock returns. This happens because the market return is the variable that most attention by investors in making investment decisions in the stock market. Return market has a very strong signal that responded very quickly by investors, since this variable reflects the overall condition of the companies listed on the capital market and its relation to macroeconomic variables such as macro-economic conditions, political or government policy, social, cultural, and environmental industry. When economic conditions are likely to improve then return the market to rise, and this means that the capital markets will also diwatnai with an increase in stock prices of companies that stock returns are also increasing. Conversely, when the economic downturn, the decision of investors will use those signals as the basis for its investment-determination against the company's stock. Some companies aka decreased mainly are directly impacted by the economic downturn, but for the particular company or industry will experience the opposite, namely as an opportunity for profit, and its share price will increase which cause stock returns is growing.

Recommendation

Based on the description above, the study suggested as follows:

- a. Wisdom company associated with the variable investment opportunity set or IOS to be published by the company management in order not responded negatively by investors, as the impact of signaling theory that reading is negative that the company is performing down will increase investment. Through disclosure by management about the prospects of future profitability will be achieved upon the addition of the assets or capital expenditures, the investor no longer rely on the signal but grounded accurate information from company management.
- b. Manajemn company policy that memperharhatikan optimal capital structure, as investors concerned about the earnings Pershare. Therefore, the policy of the use of debt to finance investments hedaknya informed in a transparent manner to the public that such a policy in a rational response by investors. In the case of the use of debt at the level of the debt cost of capital is lower than the investment return or cost of capital than equity, it will increase the dividend Pershare and this can boost the company's stock price. Conversely if the debt cost of capital higher than the investment return or cost of capital out of equity, then the use of the share capital to finance the investment will increase stock returns. Capital structure policies vary, depending on the policy management and decision of general meeting of shareholders.
- c. Return market is very significant effect on stock returns, but not all companies return the shares affected positively by the market return. Where the importance prospective

investors pay attention not only on technical analysis but also fundamentally company. For the management of the company, should be able to anticipate the possibility of internal policies to mitigate the economic downturn, so that the economic downturn does not affect the company's profitability and sustainability.

LIMITATION

This study has keterbatasan especially in using secondary data, annual financial statements, annual market return, and annual stock returns. While it is known that the stock price and the stock price index fluctuates all the time during the period of the year, as well as their share price anomalies are often found on the weekends or week-end effect and traditions pergerakan menguatnya JCI Kahir year.

The ideal condition is to use stock returns and return market in the period beyond the anomaly price tersebut, but is hampered by the use of other variables derived from the limitations of financial statement information, or not available financial statement data corresponding observation period stock prices and JCI desired or selected as a ideal research observations.

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