ABSTRACT

This research analyzed the effect of Debt to Equity Ratio (DER) and Price Earnings Ratio (PER) to Stock Price of automotive companies in Indonesia Stock Exhange. The sample used is an automotive company which actively at the Indonesia Stock Exchange trading of the year 2000-2010, and always publishing financial reports every year. This research has the objective to find out that the debt to equity ratio and price earnings ratio will affect the stock price on the automotive companies in Indonesia Stock Exchange.

This research uses descriptive verifikatif method and statistical analysis methods. To determine the debt to equity ratio, price earnings ratio and stock prices using purposive sampling techniques. Data were taken from the companies balance sheet and income statement. Then the debt to equity ratio, price earnings ratio and stock prices were analyzed with quantitative approach the multiple linear regression to determine the influence either simultaneously or partially.

Based on the results of descriptive statistical analysis, partially the debt to equity ratiohave the significant effect on stock prices. While the price earnings ratio had no significant effect on stock prices because there are other factors that further affect the stock price. But simultaneously the debt to equity ratio and price earnings ratio have a significant effect on stock prices.

(Keyword: Debt to Equity Ratio, Price Earnings Ratio, Stock Price)