ABSTRACT

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Title : *The Effect Of Return On Equity (ROE) And Debt To Equity Ratio (DER) On Price Earning Ratio(PER)Study Case At* PT Unilever Indonesia Tbk

The objective of this research is to figure out how far the return on equity (ROE) and debt to equity ratio (DER) influencing price earning ratio (PER), and the company growth which will creates investment choices that can be achieved by the company in the future.

The methods we are using in this research is qualitative and quantitative and our research object is a multi national company that work on food production, cleaner, private consumers, registered in stock exchange company Jakarta "PT.Unilever Indonesia Tbk". The data's collected was secondary data from a period of 2005-2009 which is has been published. Based on that report we are studying returned on equity (ROE) **,** *Debt to Equity Ratio* (DER) *and Price Earning Ratio* (PER) by using Double regression method to test effect those variables over *Price Earning Ratio* (PER).

The results revealed PT.Unilever Indonesia Tbk overall budget ratio in relation to *Debt to Equity Ratio* (DER) *and Price Earning Ratio* (PER) is unsatisfactory, While variable return on equity (ROE) is categorized as satisfactory.
The effect of return on equity and debt to equity on price earning ratio resulted positively and significant to PT.Unilever Indonesia Tbk Simultaneously and partially.

Key words: *Return on Equity* (ROE), *Debt to Equity Ratio* (DER), *Price Earning Ratio* (PER), PT. Unilever Indonesia Tbk.