ABSTRACT

Before deciding to buy, hold, or sell shares, must made in advance of analysis. Investment in capital markets in addition to result, it also contains a risks. One of the risks that is the presence of financial leverage. Substansial financial leverage indicates a high risk of failure to restore the company's debts so that investors view it as a risk that ultimately caused the stock price down. The first component that must be considered in the company is eraning per share. EPS of a company's information shows the amount of net profit that is ready to distribute to all shareholders of the company.

The purpose of this study to find out how big the influence of financial leverage to earning per share and its implications for stock prices in the consumer goods industry sectors listed on the Indonesia Stock Exchange either partially or simultaneously.

The method used in this study is descriptive method and verifikatif. Unit of analysis in this research is the consumer goods industry sectors listed on the Indonesia Stock Exchange, represented by 11 companies.

The results of this study showed that financial leverage, earning per share, and stock price in the consumer goods industry sectors listed on the Indonesia Stock Exchange fluctuated. Partially contained no significant influence of financial leverage on stock price and there is significant influence of earning per share on stock price. Simultaneous financial leverage and earning per share has a significant influence on stock price.

Keyword : *Financial Leverage, Earning Per Share, Stock Price*