ABSTRACT

The Influence Of Financial Leverage And Return On Investment On Stock Price (A Case Study On PT. Cahaya Kalbar Tbk.)

Comapanies investments comes from their own capital or loans (Financial Leverage). High Return On Investment (ROI) reflects company's good performance. The generated profits can be used to pay debt and interest (which comes from financial leverage) also provide return for stockholders. It will increase investor demand for stocks and drive up stock prices. This research aims to find out the use of financial leverage and ROI that affect stock price on PT. Cahaya Kalbar Tbk.

The research used descriptive and statistical analysis methods. Purposive sampling used to determine the Financial Leverage, ROI and stock prices. Then all variables were analyzed with quantitative approach to determine the influence simultaneously and partially. The results found that financial leverage doesn't have significant effect on stock prices, while ROI significantly affect stock prices. Simultaneously financial leverage and Return On Investment significantly influence the stock price.

(Keywords: Financial Leverage, Return On Investment, Stock Price)