ABSTRACT

THE EFFECT OF EARNING PER SHARE (EPS) AND CASH DIVIDENDS TO STOCK PRICE

(At Mining Companies which Listed on Indonesia Stock Exchange)

Stock prices fluctuate, so investors should be able to retrieve data that can be used as an analytical tool for the outstanding shares. These fluctuations are influenced by two factors: external and internal factors. The purpose of this study is to determine its impact on the distribution of earnings per share and cash dividends on stock prices on mining companies listed on the Indonesia Stock Exchange.

The method used in this research is descriptive method and quantitative analysis using quantitative methods. The population in this penilitian stock price data and financial statements data Pertambanagn companies listed on the Indonesia Stock Exchange in the period 2007-2010, as many as five mining companies listed on the Indonesia Stock Exchange. And the sample in this study is a mining company listed on the Indonesia Stock Exchange.

Based on the results of the study there were significant effects of Earnings Per Shares and cash dividends simultaneously, meaning that the higher the earnings per share more expensive a stock, and vice versa. The more often companies distribute dividends in cash will be in great demand by investors, the demand for the company's shares will continue to rise, so will cause the price of stocks will rise. Only partially Earnings per share has a significant influence on stock price while the cash dividend has no effect on stock prices. This means that the condition of Earnings Per Shares of a company are very high that draw investors to invest in the company.

Keywords: Earnings Per Shares, Cash Dividend, Stock Price