ABSTRACT

Financial research, especially in the equity markets experienced a shift in focus. Research is beginning to shift from the first moment (stock returns) become the second moment (return volatility). This study examines the factors that affect stock return volatility. The purpose of this study was to determine how much influence the ROE, sales growth, dividend yield, firm size, book to market, momentum against the volatility in the stock price of a company listed on the Indonesia Stock Exchange.

The population number of 140 companies listed in Indonesia Stock Exchange 2010-2012. The sampling technique used was purposive sampling criteria: (1) companies listed in Indonesia Stock Exchange during the period 2010-2012, and (2) companies that distribute dividends complete and publish a complete financial data pertaining to variable measurement period years 2010-2012. Data obtained from the publication of Indonesian Capital Market Directory (ICMD). Obtained a total sample of 63 companies of the 140 companies listed in Indonesia Stock Exchange. The analysis technique used is the classical assumption test, linear regression and hypothesis testing using t-statistics to test the partial regression coefficients and F-statistics to test the effect together with a confidence level of 5%.

The results showed that there were no irregularities classical assumptions. From the results of the analysis showed that in partial sales growth and momentum positive and significant impact on stock price volatility. While the other variables in this study such as ROE, dividend yield, firm size and no significant positive effect on stock price volatility. And book to market variables have a negative and significant effect on stock price volatility. Results of regression estimation show the predictions of the model of 50.8% while the remaining 50.2% is influenced by other factors outside the model that have not been included in this study.

Keywords**: stock price volatility, ROE, sales growth, dividend yield, firm size, book to market, momentum**.